



## **Share trading policy**

**Thomson Resources Ltd**  
ACN 138 358 728

## Contents

1.	Introduction .....	1
2.	Objectives .....	1
3.	Definitions and Interpretation.....	2
4.	Insider Trading.....	3
5.	Continuous Disclosure.....	3
6.	When a director or employee must not deal in securities .....	4
7.	When a director or employee may deal in securities.....	4
8.	Exceptional Circumstances – Permission to deal .....	5
9.	Notification of directors’ dealings in securities.....	5
10.	Notification to company secretary .....	6
11.	Breach of Policy.....	6
12.	Speculative Dealing and Hedging .....	6
13.	Further Information .....	6

## Thomson Resources Ltd

ACN 138 358 728

(Company)

# Policy on directors and employees dealing in securities

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## 1. Introduction

This policy has been implemented to prevent the incidence of 'insider trading' in securities of Thomson Resources Ltd ACN 138 358 728 (**Company**) by directors and employees and persons associated with any of them. It also imposes disclosure requirements on directors.

1.1 This policy outlines:

- (1) when trading in the Company's securities by directors and employees is permitted;
- (2) outlines when trading in other securities by directors and employees is not permitted; and
- (3) sets out procedures to reduce the risk of insider trading.

1.2 This document is an important part of the fundamental set of behaviours and principles that underpins all of the company's activities.

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## 2. Objectives

2.1 The objectives of this policy are to:

- (1) ensure that directors and employees of the Company are aware of the legal restrictions on trading securities in the Company while a person is in possession of unpublished Company price-sensitive information;
- (2) minimise the risk of directors and employees of the Company contravening the laws against insider trading;
- (3) ensure the Company is able to meet its reporting obligations under the Australian Securities Exchange (**ASX**) Listing Rules;
- (4) ensure the Company complies with the principles of good corporate governance and best practice recommendations set out by the ASX Corporate Governance Council; and
- (5) increase transparency with respect to trading in securities of the Company.

2.2 To achieve these objectives, directors and employees should consider this policy to be binding on them in the absence of specific exemption by the board.

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### 3. Definitions and Interpretation

3.1 In this policy, unless the context otherwise requires:

- (1) **Act** means the Corporations Act 2001;
- (2) **Business Day** has the meaning given in the ASX Listing Rules;
- (3) **Deal In Securities** means apply for, buy or sell shares, options or other securities in the Company, or enter into agreements in relation to shares, options or other securities in the Company and includes procuring another person to do any of these things;
- (4) **Financial Product** means a facility through which, or through the acquisition of which, a person makes a financial investment, manages financial risk or makes non-cash payments;
- (5) **Generally Available** means generally available as defined in section 1042C of the Act; and
- (6) **Price Sensitive Information** means information which a reasonable person would expect to have a material affect on the price or value of securities in the company as defined in section 1042D of the Act.

### 3.2 Interpretation

- (1) Reference to:
  - (a) one gender includes the others;
  - (b) the singular includes the plural and the plural includes the singular;
  - (c) a person includes a body corporate;
  - (d) a party includes the party's executors, administrators, successors and permitted assigns;
  - (e) a statute, regulation, code or other law or a provision of any of them includes:
    - (i) any amendment or replacement of it; and
    - (ii) another regulation or other statutory instrument made under it, or made under it as amended or replaced; and
  - (f) dollars means Australian dollars unless otherwise stated.
- (2) "Including" and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

- (4) Headings and any table of contents or index are for convenience only and do not form part of this Agreement or affect its interpretation.
- (5) A provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement.
- (6) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.
- (7) Where notification is required to be given in writing under this policy, the written notification may be given electronically.

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#### **4. Insider Trading**

- 4.1 A person undertakes insider trading if that person trades in the Company's securities while possessing information about the Company that is:
  - (1) not Generally Available; and
  - (2) Price Sensitive Information.
- 4.2 The prohibition against insider trading prevents a person in possession of Price Sensitive Information that is not Generally Available from:
  - (1) dealing in securities;
  - (2) communicating Price Sensitive Information to others who might deal in the securities; or
  - (3) procuring another person to trade in the Company's securities.
- 4.3 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both under the Act.
- 4.4 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties on persons who engage in insider trading and order payment of compensation to shareholders who suffer loss or damage as a result of insider trading in the Company's securities.
- 4.5 Directors and employees engaged in the management of the Company will, from time to time, be in a situation where they are in possession of price sensitive information that is not generally available to the public. Some examples are the period prior to the release of annual or half-yearly results to ASX and the period during which a major transaction is being negotiated.

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#### **5. Continuous Disclosure**

- 5.1 The risk of contravention of insider trading laws in relation to information concerning public companies was reduced with the introduction of the continuous disclosure regime.
- 5.2 Since 1994, listed companies are required to disclose all Price Sensitive Information immediately to ASX, except in limited circumstances. The tests of what constitutes Price Sensitive Information under the insider trading laws and under the continuous disclosure requirements are effectively identical.

- 5.3 There are a number of ways in which the continuous disclosure regime does not reduce the risk of insider trading. These include:
- (1) the ASX Listing Rules and the Act permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
  - (2) information may be known to a particular director or employee but not yet by the Company as a whole (ie the board);
  - (3) the Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance and there will always be some element of delay in doing so;
  - (4) one or more directors or employees are aware of an event or circumstance of which the board as a whole is not yet aware; and
  - (5) directors and employees will generally have a better feel for the performance of the Company than the public.
- 5.4 In these situations there is potential for the contravention of the insider trading prohibitions. There is also the potential for an appearance of a contravention even if there has not been an actual contravention. This could reflect badly on the Company as well as on the director or employee concerned.
- 5.5 For these reasons, the advice of the Chairman (in the case of directors) or the Secretary (in the case of employees) should be sought prior to any dealings taking place.

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## **6. When a director or employee must not deal in securities**

- 6.1 A director or employee must not Deal in Securities of the Company unless:
- (1) they have satisfied themselves that they are not in possession of any Price Sensitive Information that is not Generally Available to the public;
  - (2) they have advised the Chairman (in the case of directors) or the Secretary (in the case of employees) of their intention to do so;
  - (3) the Chairman or Secretary (as the case may be) has made appropriate enquiries of other directors; and
  - (4) the Chairman or Secretary has indicated in writing that there is no impediment to them doing so.
- 6.2 Directors and employees must not communicate Price Sensitive Information to a person who may deal in securities of the Company.
- 6.3 In addition, a director or employee must not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or directors of a family company) that they buy or sell securities in the Company.

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## **7. When a director or employee may deal in securities**

- 7.1 The Chairman and Secretary will generally allow directors and employees to deal in securities of the Company as a matter of course (unless there is in existence price

sensitive information that has not been disclosed because of an ASX Listing Rule exception) in the following periods:

- (1) within the period of three weeks after the release of annual, half yearly or quarterly results; and
- (2) within the period of three weeks after the Annual General Meeting of the Company's shareholders; and
- (3) within the period of three weeks after the Company issues a prospectus.

7.2 Directors and employees must wait at least 1 Business Day after the relevant release or meeting so that the market has had time to absorb the information.

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## **8. Exceptional Circumstances – Permission to deal**

- 8.1 The periods mentioned in paragraph 7.1 are not the only times in which directors and employees may deal in securities.
- 8.2 In exceptional circumstances, where it is the only reasonable course of action available to a director or employee, clearance may be given by the Chairman and at least one other non-executive director for the director or employee to sell (but not to purchase) securities when he or she otherwise would not be permitted to do so by this policy.
- 8.3 An example of the type of circumstances which may be considered exceptional for these purposes would be a pressing financial commitment on the part of the director or employee that cannot otherwise be satisfied.
- 8.4 The determination of whether the circumstances are exceptional for this purpose must be made by the Chairman and at least one other non-executive director.
- 8.5 This exception shall never apply unless the circumstances in paragraph 6.1(1) can be satisfied.

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## **9. Notification of directors' dealings in securities**

- 9.1 A director of a listed company must notify ASX within 14 days of acquiring or disposing of a relevant interest in any securities of the Company (section 205G of the Act). This is an obligation of the director, not the Company. There is no prescribed form for such notifications.
- 9.2 The Company (in this case as the agent of the director for the purposes of section 205G of the Act) must notify the ASX of dealing in securities by directors within 5 Business Days (ASX Listing Rules 3.19A and 3.19B).
- 9.3 Three appendices are included in the ASX Listing Rules for the purpose of this notification:
  - (1) 3X: Initial Director's Interest Notice;
  - (2) 3Y: Change of Director's Interest Notice; and
  - (3) 3Z: Final Director's Interest Notice.
- 9.4 Where an Appendix 3Y is lodged with ASX, the director's obligations under section 205G of the Act will be satisfied.

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## **10. Notification to company secretary**

- 10.1 Directors must notify the company secretary immediately on acquiring or disposing of a relevant interest in any securities in the Company.

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## **11. Breach of Policy**

- 11.1 A breach of this policy by a director or employee will be regarded seriously. It may constitute a breach of the law and it may lead to disciplinary action being taken against director or employee and may result in a summary dismissal.

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## **12. Speculative Dealing and Hedging**

- 12.1 Directors and employees must not at any time engage in short-term trading in securities of the Company.
- 12.2 Directors and employees must not at any time hedge options issued to them under an employee option plan prior to vesting of the options.

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## **13. Further Information**

- 13.1 If a director or employee has any query about the application of this policy, he or she should consult the Chairman or the Secretary.