

# Metgasco Ltd

ACN 088 196 383

## Securities Trading Policy

### 1. Introduction

Metgasco Ltd's (the **Company** or **Metgasco**) Securities Trading Policy (**Policy**), as required by the Australian Securities Exchange (**ASX**) Listing Rules, sets guidelines for:

- a) when Directors, officers, senior management, other employees, consultants and contractors of the Company (and any family member or associate over whom they have influence) may deal in the Company's Securities;
- b) when Directors, officers, senior management, other employees, consultants and contractors of the Company may deal in listed securities of another entity (because they may obtain inside information about another entity's securities while performing their duties for the Company); and
- c) procedures to reduce the risk of insider trading.

Metgasco Securities includes listed shares in Metgasco, options over those shares and any other financial products of Metgasco traded on any securities exchange.

### 2. Who does this Policy apply to?

This Policy applies to:

- a) all Executive and Non-Executive Directors, officers, employees, contractors and consultants (collectively, **Personnel**) of the Company, and its subsidiaries; and
- b) in relation to Blackout Periods (see paragraph 7.2), Directors and Senior Executives (Senior Executives being direct reports to the Managing Director or Chief Executive Officer, and those persons' direct reports) (collectively, **Designated Persons**) of the Company, and its subsidiaries (and any family member or associate over whom they have influence).

### 3. Insider Trading - the Law

- 3.1 The principal insider trading prohibition in Australian law is contained in section 1043A of the *Corporations Act 2001*.

**Inside Information** is information relating to the Company that is not generally available but, if the information was generally available, a reasonable person would expect that information to have a material effect on the price or value of the Company's Securities. Further detail on information that could have a material effect on the price or value of the Company's securities, including examples, is included in the Company's Continuous Disclosure Policy.

Section 1043A prohibits a person (an Insider) who is in possession of Inside Information from:

- a) applying for, acquiring, disposing of or entering into an agreement to apply for, acquire or dispose of the Company's Securities;
- b) procuring another person to apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of the Company's Securities; or
- c) directly or indirectly communicating the Inside Information to another person when the Insider knows, or ought reasonably to know, that the other person would or would be likely to:
  - i) apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of the Company's Securities; or
  - ii) procure another person to apply for, acquire, dispose of or enter into an agreement to apply for, acquire or dispose of the Company's Securities.

- 3.2 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or Director engages in insider trading.
- 3.3 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.
- 3.4 Information is generally available if it:
  - a) is readily observable;
  - b) has been made known in a manner (e.g. released to the ASX) likely to bring it to the attention of persons who commonly invest in Securities and a reasonable period for that information to be disseminated has elapsed since it was made known.

## 4. The “Front Page” Test

It is important that public confidence in the Company is maintained. It would be damaging to the Company’s reputation if the market or the general public perceived that Designated Persons might be taking advantage of their position to make financial gains (by dealing in securities on the basis of confidential information).

As a guiding principle, Designated Persons should ask themselves:

*If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as the Employee (or Connected Person) taking advantage of his or her position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper? (The **Front Page Test**)*

If the Designated Person is unsure, he or she should consult the Company Secretary.

Where any approval is required for a dealing under this Policy, approval will not be granted where the dealing would not satisfy the Front Page Test.

## 5. When Personnel May Deal in Securities

Dealing in the Company’s Securities includes but is not limited to buying, selling and transferring the Company’s Securities.

Personnel (who are not Designated Persons) may deal in Metgasco Securities or the listed Securities of another entity if he or she does **not** have information that he or she knows, or ought reasonably to know, is Inside Information in relation to Metgasco or those Securities of the other entity.

## 6. When Personnel May Not Deal In Securities

Personnel (who are not Designated Persons) must **not** deal or procure a third party to deal in Metgasco Securities if he or she has information that he or she knows, or ought reasonably to know, is Inside Information in relation to Metgasco.

## 7. Designated Persons dealing In the Company’s Securities

### 7.1 Designated Persons

Designated Persons are routinely in possession of Inside Information (which, if generally available would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the Company’s Securities).

As such, Designated Persons (or any family member or associate over whom they have influence) are prohibited from dealing in the Company Securities during a Blackout Period.

## 7.2 Blackout Periods

The Blackout Period for the purposes of the ASX Listing Rules is a “Closed Period”.

No trading in the Company’s Securities may occur during a **Blackout Period (Closed Periods)** without the permission of the Chief Executive Officer (**CEO**) / Managing Director (**MD**) (or in the case of the CEO/MD, the Chairman or in the case of the Chairman, the Company Secretary. Permission will ordinarily only be granted in exceptional circumstances (see section 7.4 below).

Outside a prohibited Blackout Period, the laws prohibiting insider trading continue to apply to Designated Persons. Refer to section 3 of this Policy for further details.

Unless the Board otherwise directs, in its absolute discretion, Blackout Periods will occur at the following times:

- a) for a period of 2 weeks before the public release by the Company of its quarterly reports to the ASX, up to the commencement of the first trading day after such release;
- b) for a period of 2 weeks before the public release by the Company of its annual and half year results to the ASX, up to the commencement of the first trading day after such release;
- c) for a period of 2 weeks before the Company’s Annual General Meeting (AGM) up to the commencement of the first trading day after the AGM;
- d) for a period of 2 weeks before the issue of a disclosure document, e.g. prospectus, up to the commencement of the first trading day after such release; and
- e) such other periods the Board may notify from time to time (**Other Black Out Period**).

In determining whether or not an Other Black Out Period will either apply or cease, the Board may request all Designated Persons to confirm to the Company Secretary whether they are aware (as defined in the ASX Listing Rules) of any Inside Information.

## 7.3 Notice of Intent to Deal in the Company Securities

Designated Persons (or any family member or associate over whom they have influence) are prohibited from dealing in the Company’s Securities at any time, including in exceptional circumstances set out in section 7.4, without providing the CEO/MD (and the Chairman in the case of the CEO/MD and Company Secretary in the case of the Chairman) with prior written notice, within three (3) business days of the transaction occurring, of their intent to deal in the Company’s Securities.

A copy of the notice will be sent to the Company Secretary for the official file.

## 7.4 Exceptional Circumstances

Any Designated Person, who is not in possession of Inside Information affecting Securities, may be given prior written approval to sell or otherwise dispose of Securities during a Blackout Period where there are exceptional circumstances. Exceptional circumstances may include:

- a) severe financial hardship which means a Designated Person has a pressing financial commitment that cannot be satisfied otherwise than by selling the Securities;
- b) if a Designated Person is required by a court order, or there are court enforceable undertakings to transfer or sell the Securities or there is some other overriding legal or regulatory requirement for the Designated Person to do so; or
- c) a situation determined by the Chairman (or in the case of the Chairman the lead independent director) to be an exceptional circumstance.

When requesting prior written approval to sell or otherwise dispose of Securities during a Blackout Period, the Designated Person must submit an application in writing (which can be by email) to the CEO/MD, generally through the Company Secretary (in the case of the CEO/MD an application in writing (which can be by email) to the Chairman) including the reasons for requesting approval.

Approval, if granted, must be in writing (which can be by email) and must specify a time period for which the approval applies.

## 8. Excluded Trading

Trading that is excluded from the restrictions in this Policy includes:

- a) transfers of Securities already held into a superannuation fund or other saving scheme in which the member of Personnel is a beneficiary;
- b) an investment in, or trading units of, a fund or other scheme (other than a scheme only investing in the Company's Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- c) where a Designated Person is a trustee, trading in Securities by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a Blackout Period is taken by the other trustees or by the investment managers independently of the Designated Person;
- d) undertakings to accept, or the acceptance of, a takeover offer;
- e) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution investment plan (**DRP**) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- f) a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, subject to section 8 below; and
- g) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Blackout Period and where the Designated Person could not reasonably have been able to exercise at a time when free to do so; and
- h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - i) the Designated Person did not enter into the plan or amend the plan during a Blackout Period; and
  - ii) the trading plan does not permit Designated Persons to exercise any influence or discretion over how, when, or whether to trade.

## 9. Restrictions on margin loans

Margin lending poses special risks to the compliance of Designated Persons with this Policy, particularly where the terms of the margin lending arrangements may place the Designated Person in a position of conflict with their obligations under this Policy and/or with the insider trading laws (for example, if a call is made under the arrangements, which results in Metgasco Securities being sold while the Designated Person possesses inside information).

Without prior approval in the manner set out in section 7.4, Designated Persons must not enter into agreements that provide lenders with rights over their interests in Metgasco Securities (e.g. for the disposal of Metgasco Securities that is the result of a secured lender exercising their rights under a margin lending agreement).

## 10. Anti-hedging Policy

Directors and Senior Executives are not permitted to enter into transactions with Securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes awarded under any equity-based remuneration scheme currently in operation or which will be offered by the Company in the future. However,

Directors and senior executives will consult with the Chairman if they are considering, or if they are not sure, as to whether entering into transactions may limit the economic risk of unvested entitlements they may have.

## 11. Disclosure to ASX

Listing Rule 12.9 of the ASX Listing Rules requires this policy to be disclosed to the ASX. Where Metgasco makes a material change to this Policy, the amended policy must be provided to ASX within 5 (five) business days of the material changes taking effect, in accordance with Listing Rule 12.10.

In addition, if a change to a notifiable interest of a Metgasco Director occurs during a Closed Period, Metgasco must tell ASX (in its Appendix 3Y filing) that this is the case, whether prior written clearance for the relevant dealing was provided and the date of such clearance.

## 12. Breaches of this Policy

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

## 13. Review of this Policy

This Policy will be reviewed regularly by the Board having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing. If Directors and Senior Executives have any comments or views concerning the operation or effectiveness of this Policy, they should be communicated to the Company Secretary.

This policy was approved and adopted by the Board on 1 March 2019.