



**DEALING IN SECURITIES POLICY**

**MAXIMUS RESOURCES LIMITED**

**ACN 111 977 354**

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# MAXIMUS RESOURCES LIMITED DEALING IN SECURITIES POLICY

## PART 1 – PRELIMINARY

### 1. Introduction

The purpose of this Policy is to:

- 1.1 explain the type of conduct in relation to dealings in securities that is prohibited under the Corporations Act, which is applicable to all employees of Maximus Resources Limited (**Company**); and
- 1.2 establish a best practice procedure relating to buying and selling securities that provides protection to both the Company and employees against the misuse of unpublished information which could materially affect the value of securities.

### 2. Policy Application

This policy applies to:

- 2.1 all directors of the Company or any related body corporate (as defined in the Corporations Act);
- 2.2 all employees of and consultants to the Company or any related body corporate (as defined in the Corporations Act),

and their associates (collectively **Employees**).

This policy covers all trading in the Company's securities.

### 3. Who to contact

If you are in any doubt regarding your proposed dealing in securities you should contact the Company Secretary or the Chairman.

## PART 2 – THE COMPANY'S POLICY

### 4. Guidelines for Dealing in Securities

Employees may trade in the Company's securities when information that is considered to be price sensitive is generally available. Information would be considered to be generally available after it has been released to the Australian Securities Exchange (ASX) and the ASX has fully disseminated that information to the market.

Employees may also trade in the Company's securities on ASX commencing 30 minutes following:

- 4.1 the holding of the Annual General Meeting;
- 4.2 the holding of any general meeting;

- 4.3 the announcement of the annual results;
- 4.4 the announcement of the half-year results;
- 4.5 the announcement of the quarterly report;
- 4.6 any other public announcement on ASX;

EXCEPT where the Employee is in possession of unpublished price sensitive information or the Company is in possession of unpublished price sensitive information and notifies the Employee that they may not trade.

## 5. **Clearance required for Proposed Dealing**

All Employees must receive clearance for any proposed dealing in the Company's shares on the ASX as follows:

- 5.1 a **director** of the Company (including the Managing Director/Chief Executive Officer) must inform and receive written approval from the Chairman prior to undertaking a transaction;
- 5.2 the **Chairman** must obtain approval from the Board or the next most senior director, prior to undertaking a transaction;
- 5.3 **executives and senior management** must inform and receive approval from the Managing Director/Chief Executive Office prior to undertaking a transaction; and
- 5.4 all other **employees** must inform and receive approval from the Managing Director/Chief Executive Officer prior to undertaking a transaction.

The request for clearance should be in writing and addressed to the person who will grant approval. It is intended that your request will be answered within 48 hours.

## 6. **Short Term Dealing**

Employees may not deal in the Company's securities on a short-term basis, except in circumstances of special hardship, with the Chairman's approval. That is, Employees may not buy and sell securities within a three month period. In addition, Employees may not enter into any other short term dealings (for example, forward contracts) except with the approval of the Chairman.

## 7. **Exceptional Circumstances**

- 7.1 Employees may be permitted, with the prior written approval of persons set out in paragraph 5 above, to sell (but not buy) the Company's securities in exceptional circumstances where they would otherwise not be able to do so under this policy. The persons authorised to grant written approval in paragraph 5 will decide whether circumstances are exceptional.
- 7.2 Examples of exceptional circumstances include (but are not limited to) any of the following circumstances:
  - 7.2.1 where an Employee has a pressing financial commitment that cannot otherwise be satisfied; or

7.2.2 where an Employee is required by a court order to transfer or sell the relevant securities or if there is some other overriding legal requirement for him/her to do so.

7.3 Approval under the exception in paragraph 7.1 must not be given if there is a matter about which there is inside information in relation to the Company's shares when approval is requested.

## 8. **Exceptions to the Policy**

Subject to Part 3, the Policy does not apply in the following circumstances:

- 8.1 the exercise of options;
- 8.2 the vesting of retention rights or other securities issued as an incentive to Employees;
- 8.3 taking up rights under an offer made to all or most of the Company's shareholders such as a rights issue or share purchase plan, where the timing and structure of the offer has been approved by the Company's Board;
- 8.4 the transfer of securities controlled by an Employee into a self-managed superannuation fund or other investment saving scheme in which the Employee is a beneficiary or where the transfer results in no change in beneficial ownership;
- 8.5 an investment in, or trading in the units of a managed securities portfolio where the investment decisions are made by a third party;
- 8.6 an undertaking to accept, or the acceptance of a takeover offer; or
- 8.7 the Employee receives the securities under an underwriting agreement in relation to a pro rata issue.

## 9. **Blackout Periods**

To minimise the potential for insider trading, the Company may (at its discretion) impose additional blackout periods on trading in the Company's securities. During these periods, persons must not deal in the Company's securities until notice is given.

## 10. **Margin Lending**

Employees must not enter into any margin loan funding arrangements relating to the Company's securities.

## 11. **Employee, Executive and Director Share Plans**

While Employees remain employed by the Company, any dealings in securities (following cessation of restrictions over the securities) acquired pursuant to any employee incentive scheme must only occur in accordance with this Policy.

## **PART 3 – PROHIBITED CONDUCT**

### **12. Summary**

The Corporations Act prohibits “insider trading”.

Under the Corporations Act, a person is prohibited from dealing in “securities” where:

- 12.1 the person possesses information which is not generally available to the public; and
- 12.2 that information may have a “material effect” on the price of securities of the relevant entity; and
- 12.3 the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of securities.

In addition, a person with inside information must not “procure” another person to deal in the Company’s securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in the Company’s securities.

The key concepts are discussed in more detail in section 13 below.

### **13. Relevant Terms**

#### **13.1 Securities**

The definition of securities in the Corporations Act is very broad.

Securities include:

- 13.1.1 ordinary shares;
- 13.1.2 preference shares;
- 13.1.3 options;
- 13.1.4 debentures; and
- 13.1.5 convertible notes.

It also extends to things relating to securities issued by the Company (for example, warrants and other derivative products).

#### **13.2 Dealing in Securities**

Dealing in securities is a broad concept and covers more than simply buying or selling shares. It extends to exercising options over shares and entering agreements to buy or sell securities.

That is, under this policy and the law, the prohibition on dealing means that you are not permitted to:

- 13.2.1 buy or sell;

13.2.2 enter into an agreement to subscribe for, buy or sell, securities,

where you possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If you possess price sensitive information that is not generally available, you are also prohibited from:

13.2.3 procuring any other person to deal in those securities; or

13.2.4 directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do something. For the purposes of these provisions procuring includes inciting, inducing or encouraging an act or omission.

For example you cannot ask or encourage family members to deal in securities when you possess price sensitive information and you should not communicate price sensitive information.

Directors and senior management (that is, the Managing Director/Chief Executive Officer, his direct reports, and the Company Secretary) will customarily be privy to price sensitive information that is not generally available. Accordingly, directors and senior management should ensure that they do not deal in the Company's securities when they or the Company possess "inside information" (even during a Window Period set out in section 4 above)

In general, other employees will be free to deal in the Company's securities during the Window Period, unless otherwise notified by the Company.

#### 14. **Information that is generally available**

Information is "inside" if it is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security.

Information is considered to be "generally available" if:

14.1 it consists of readily observable matter; or

14.2 it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed; or

14.3 it may be deduced, inferred or concluded from the above.

That is, information will be "generally available" if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways.

**15. Material effect on the price of securities**

Information is considered under the Corporations Act to be likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of the information that may be material, however, the following type of information would be likely to be considered to have a material effect on the Company's share price:

- 15.1 discovery of a mineral resource or other positive exploration results;
- 15.2 information regarding a material increase or decrease in the Company's financial performance from previous results or forecasts;
- 15.3 a proposed material business or asset acquisition or sale;
- 15.4 the damage or destruction of a material operation of the Company;
- 15.5 proposed material legal proceedings to be initiated by or against the Company;
- 15.6 regulatory action or investigations undertaken by a government authority;
- 15.7 the launch of a material new business; or
- 15.8 a proposal to undertake a new issue of shares or major change in financing.

**16. Information**

For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

**17. Relationship to the continuous disclosure regime**

The Corporations Act and the ASX Listing Rules require the Company to immediately release to the ASX any information concerning the Company which may reasonably be expected to have a material effect on the price or value of the Company's securities, subject to limited exceptions.

As a result of the operation of the continuous disclosure regime, usually all material price sensitive information will be generally available; however, there are limited circumstances in which disclosure is not required. In these situations there may be people with "inside information" who would breach the insider trading prohibition if they dealt in securities at that time.

Specifically, the ASX Listing Rules do not require disclosure where:

- 17.1 a reasonable person would not expect the information to be disclosed; and
- 17.2 the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and



17.3 one or more of the following applies:

- 17.3.1 it would be a breach of law to disclose the information;
- 17.3.2 the information concerns an incomplete proposal or negotiation;
- 17.3.3 the information comprises matters of supposition or is insufficiently definite to warrant disclosure (for example, the effect of an event on the Company has not yet been quantified);
- 17.3.4 the information is generated for internal management purposes of the entity (for example, internal management accounts or an internal management report); or
- 17.3.5 the information is a trade secret.

Although information does not need to be disclosed under the Listing Rules, Employees may possess “inside information”. If a person deals in the Company’s securities at a time when that person is aware of information which, but for a carve-out to the Listing Rules, would need to be disclosed to the market, that person will be in breach of the insider trading provisions.

#### 18. **Securities in other companies**

Whilst in general you are free to deal in shares in other listed companies, the prohibited conduct under the Corporations Act includes dealings in securities of the Company as well as of other listed companies with which the Company may be dealing (such as the Company’s customers or joint venture partners) where an Employee possesses “inside information” in relation to that other company.

That is, if you are aware of information that is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security, you should not deal in the securities of the companies that it affects. For example, where you are aware that the Company is about to sign a major agreement with another company, you should not buy shares in either the Company or the other company.

#### 19. **Penalties**

A person who commits a breach of the insider trading provisions could be subject to criminal liability and/or civil liability. In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the conduct.

## **PART 4 – ADMINISTRATIVE MATTERS**

### 20. **Review**

The Board will meet at least once in each year to review the content of these guidelines to determine their adequacy for current circumstances. Where necessary, the Board may by resolution alter the contents of these guidelines to ensure that they correctly outline the obligations of the Company, its directors and employees with respect to dealing in securities.