



### **Purpose of the Policy**

The purposes of this policy are:

- To ensure that key management personnel of the company understand procedures in relation to trading in shares and other securities, and understand the meaning and legal consequences of “insider trading”.
- To protect Shareholders’ interest at all times by ensuring that the persons to whom this policy applies do not use Inside Information for their personal advantage.
- To ensure that Bounty Mining operates, at all times, in accordance with legal and societal standards of good corporate practice.

### **Application of the Policy**

The policy applies to all directors, employees and contractors of the Bounty Group.

The Insider Trading laws can apply to dealings by entities and people associated with the persons to whom this policy applies eg a company, trust, self-managed superannuation fund, spouse, partner and dependent child. Someone in possession of inside information may become subject to an insider trading investigation if an associate deals in securities to which the inside information relates.

### **Policy**

The persons to whom this policy applies may not trade in securities of the Company except during specific allowable periods or “windows”. They may not trade in securities even during a “window” if they are in possession of Inside Information.

### **Window System**

A “window” system is one where trading is prohibited unless in the 28 day period, or “window”, following ASX announcements. All persons to whom this policy applies will be notified of the commencement and conclusion of a “window”.

Trading windows will commence 24 hours after the time of the announcement, allowing the information announced to be disseminated across the market.

In any case, trading is prohibited between the date of the close of the accounting books and the announcement of financial results, specifically:

- Quarterly cashflow reports
- Half year results; and
- Preliminary full year results.



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### **Prohibited Periods**

All periods which are not recognised as “windows” are Prohibited Periods.

Clearance to trade during Prohibited Periods may only be obtained in exceptional circumstances, where the person is NOT in possession of Inside Information, and must be obtained in accordance with the authority levels below.

- The Chairman must not trade in securities of the Company during a Prohibited Period without first notifying, and obtaining clearance to trade from an Independent Director nominated for this purpose.
- All other persons to whom this policy applies must not trade in securities of the Company during a Prohibited Period without first notifying, and obtaining clearance to trade from, the Chairman or an Independent Director nominated for this purpose.
- Persons given clearance to trade must do so within 48 hours of the clearance being given.

If any person to whom this policy applies is reasonably expected to be in possession of Inside Information, there can be no clearance in any circumstances.

### **Exceptional Circumstances**

If any person to whom this policy applies is NOT in possession of Inside Information and would suffer severe financial difficulty otherwise, they may be given clearance by the Chairman, or in the case of the Chairman an Independent Director, to sell securities. There can be no clearance for the purchase of securities.

### **Inside Information**

Inside Information is defined by ASX as information which:

- Is not generally available; and
- If it was generally available, would be reasonably expected to have a material effect on the price of the Company’s securities.

Examples include, but are not limited to:

- Possible acquisition or sale of assets by the Company;
- The Financial performance of the Company;
- A possible claim against the Company.

### **Insider Trading**

Any trading by securities of the Company while in the possession of Inside Information, even in a “window”, amounts to Insider Trading.

The following actions are also Insider Trading:



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- Passing on Inside Information to another person, knowing it will be used it will be used to trade in company shares ;
- Procuring another person to trade in company shares while in the possession of Inside Information.

### **Penalties for non-compliance – current at the date of this document**

- Insider trading is a criminal offence punishable by significant fines or jail terms or both under the Corporations Act.
- The penalty for an individual for insider trading is up to 10 years imprisonment and/or the greater of \$495,000 or three times the profit gained or loss avoided. For companies, the maximum penalty is the greater of \$4.95 million, three times the profit gained or loss avoided or 10 per cent of the body corporate's annual turnover in the relevant period.
- There is unlimited civil liability.

In addition, the insider trader and any other person involved in the contravention may be liable to compensate third parties for any resulting loss.

Non-compliances will be treated seriously by the Company and breaches of this Policy, whether or not they result in a breach of the law, may result in disciplinary action including dismissal.

### **Short-Term Dealings**

Key Management Personnel may not deal in Company shares at any time for short term gain, including buying and selling shares in a 3 month period, except subject to clearance as described under "Exceptional Circumstances" above.

### **Notification of Interests and Trading in securities (Directors only)**

Bounty is required to notify ASX of certain information in relation to directors' holding and trading in its securities under listing rule 3.19A.2 and as agent for the directors for the purposes of section 205G of the Corporations Act. This information is provided through:

- Appendix 3X – Initial Director's Interest Notice, to be lodged within 5 days of the director's appointment.
- Appendix 3Y – Change of Director's Interest notice, to be lodged within 5 days of any change.
- Appendix 3Z – Final Director's Interest Notice, to be lodged within 5 days of ceasing to be a director.

Prior to appointment, Directors execute an agreement with the Company that they will notify the Company Secretary of all required information in time to achieve announcement.

Bounty will also declare, in a new addition to appendix 3Y:

- whether the change in interest occurred during a Prohibited Period;



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- if so, whether prior written approval was obtained; and
- if obtained, on what date.

### **Margin loans or similar funding arrangements**

No person covered by this policy must enter into any margin loan or similar funding arrangement in relation to the Company's securities.

Where margin loans or similar funding arrangement are already in place at the date of this re-issued policy, the Company Secretary must be notified immediately as to the existence of the arrangement, the terms of the arrangement, the number of securities affected and any other relevant information.

### **Trading in securities of other companies**

Directors and Officers are prohibited from dealing in the securities of outside companies about which they may gain price-sensitive information by virtue of their position with Bounty Mining. This includes client organisations, potential clients, joint-venture or alliance partners, subcontractors, and suppliers or subcontractors.