

## METAL BANK LIMITED SECURITIES TRADING POLICY

### 1. Introduction

Metal Bank Limited (*the Company*) encourages all of its staff to become shareholders of the Company.

### 2. Purpose

The purpose of this policy is to outline the laws relating to insider trading and set out the policy of the Company for its staff trading in its securities. The term “securities” in this policy includes any listed or unlisted shares, rights, share options, warrants or derivative. The Company and its subsidiaries are referred to in this policy as “the Group”.

### 3. Scope

This policy applies to all directors, officers, employees, contractors and consultants of the Group (referred to collectively as “staff”).

### 4. Policy

#### 4.1 Insider Trading Prohibition

If any member of staff has “price sensitive” information relating to the Group which has not been published or is not “generally available” it is unlawful to:

- (a) buy, sell or in any way deal in securities of the Company;
- (b) advise, purchase, or in any way encourage another person to buy or sell Company securities; or
- (c) relay information to another person who you know or might reasonably know that the person will use the information to buy or sell Company Securities.

A person who breaches the insider trading prohibition of the Corporations Act may be liable for significant civil and criminal penalties.

#### 4.2 Price Sensitive Information

Price sensitive information is information about the Group that if it were publicly known it may:

- (a) have a material effect on the price or value of the Company’s securities; or
- (b) influence persons in deciding whether to trade in the Company’s securities.

Examples of price-sensitive information may include:

- a proposed acquisition or divestment of material assets;
  - material change in the financial performance of the Company against its budget;
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- the entry into or termination of a joint venture;
- a proposed or actual takeover or amalgamation;
- an unexpected liability or possible claim against the Group;
- material drill results or other material exploration results;
- significant change in senior management;
- a proposed new issue of securities; or
- a proposed dividend or change in dividend policy.

#### **4.3 Information Generally Available**

Information is generally available if:

- (a) it has been released to ASX and a reasonable period for it to be disseminated among investors and market participants has elapsed;
- (b) it is on the Company's website;
- (c) it is published in the media;
- (d) it has been available for some time and would be expected to be known to investors; or
- (e) it has been published deduced or inferred from information which has already been made public.

#### **4.4 Dealing in the Company's Securities**

##### **4.4.1 General Rule**

You must not deal in the Company's securities:

- (a) when you are in possession of price sensitive information relating to the Company which is not generally available to the market; or
- (b) during "Black Out Periods" as defined in 4.4.2.

##### **4.4.2 Black Out Periods**

The Company recognises that staff may be in possession of information that from time to time may be considered price sensitive and has therefore determined that in certain periods of the year (called "Black Out Periods") they will not be permitted to trade in the Company's securities.

Under this policy, the following periods are designated as Black Out Periods:

- (a) the period commencing one month prior to the due date for and ending at 10am on the business day after release of the Company's half yearly and annual results, respectively;
- (b) the period commencing two weeks prior to the due date for and ending on the date of the release of the Company's quarterly report to ASX for each quarter;
- (c) one week prior to and twenty four hours after an announcement relating to exploration results; and
- (d) any additional periods imposed by the Board from time to time.

##### **4.4.3 Directors and Designated Officers**

It is recognised that Directors and Designated Officers of the Company, (defined as direct reports to the Board or one of the Directors), are more likely to be in possession of price sensitive information. As a result further restrictions apply to Directors and Designated Officers as set out below. These restrictions apply to all trading in the Company's securities.

### Directors

- When proposing to trade in the Company's securities, Directors must notify the Chair and the Company Secretary of any intended trading and confirm in writing that he or she is not in possession of any price sensitive information. Trading may only occur upon written acknowledgment from the Chair and Company Secretary of the intended trading and must occur within three business days of such acknowledgment. In the case of the Chair, that notification must be given to (and acknowledgement received from) the Executive Director responsible for finance and the Company Secretary.
- In addition, Directors should note that the Company is required by the ASX Listing Rules to notify ASX of any dealings by Directors in the Company's securities within 5 days of such dealing taking place and must therefore promptly advise the Company Secretary when any trading has occurred.

### Designated Officers

- When proposing to trade in the Company's securities, Designated Officers must notify the Chair and the Company Secretary of any intended trading and confirm in writing that he or she is not in possession of any price sensitive information. Trading may only occur upon written acknowledgment from the Chair and Company Secretary of the intended trading and must occur within three business days of such acknowledgment. In the case of the Company Secretary, that notification must be given to (and acknowledgement received from) the Chair and the Executive Director responsible for finance.
- Trading may only occur upon written acknowledgment from the Chair and Company Secretary of the intended trading and must occur within three business days of such acknowledgment.
- Designated Officers must advise the Company Secretary when trading has occurred. In the case of the Company Secretary, that notification must be given to the Chair.

## **4.5 Exceptions to General Rule**

### **4.5.1 Exceptional circumstances**

Trading during a Black Out Period may be allowed by staff members not in possession of price sensitive information due to Exceptional Circumstances (as defined below) provided prior written clearance is obtained from the following Officers:

- (a) from the Chair and Company Secretary; or
- (b) in the case of the Chair, from the Executive Director responsible for finance and the Company Secretary.

Staff seeking clearance must:

- (a) apply in writing to the relevant Officer, confirming that he or she is not in possession of any price sensitive information relating to the Company; and
- (b) provide evidence to the satisfaction of the relevant Officers that the sale or disposal of the Company's securities is the most reasonable course of action available in the circumstances.

The discretion to permit trading during a Black Out Period for exceptional circumstances will be exercised with caution and permission may be given or refused. Any permission given will be provided in writing and will be valid for only for three business days.

Exceptional circumstances means:

- Severe financial hardship where a pressing financial commitment cannot be satisfied otherwise than by selling the relevant Securities. (A tax liability of a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A tax liability relating to Securities received under an employee equity plan would not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance).
- A requirement to trade in the Company's securities as a result of a court order or court enforceable undertakings (eg. as part of a bona fide family settlement), or some other overriding legal or regulatory requirement.
- Other circumstances deemed exceptional by the relevant person from whom permission for trading is sought.

#### **4.5.2 Employee equity plans**

As a result of an exception under the law, the insider trading provisions do not apply to prevent a staff member from applying for the Company's securities under a Company employee equity plan or acquiring securities under such an application.

During a Black Out Period, staff who hold options, performance rights or other convertible security under the Company's employee equity plans may exercise their employee options and performance rights or convert a convertible security, where the final date for the exercise of the option or right, or conversion of the security, falls during a Black Out Period.

Any subsequent disposal of or dealing in securities obtained upon exercise of such options or rights or conversion of securities will be subject to the requirements of this policy, including the restrictions that apply during a Black Out Period.

#### **4.5.3 Trading which is excluded from this policy**

The following dealings are excluded from operation of this policy:

- (**No change in beneficial interest**) Dealings that do not result in a change to the beneficial interest in the Company's securities, including but not limited to transfers of Company securities already held by a staff member into a superannuation fund or other saving scheme in which the staff member is a beneficiary.
- (**Investment in funds etc**) An investment in, or trading in 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.
- (**Acting as trustee**) Where the staff member is a trustee or a director of a corporate trustee, trading in the Company's securities by that trust provided the staff member is not a beneficiary of the trust and any decision to trade during a Black Out Period is taken by the other trustees or directors or by the investment managers independently of the staff member.
- (**Accepting a takeover offer**) Undertakings to accept, or the acceptance of, a takeover offer or participation in a Scheme of Arrangement.
- (**Rights issue, SPP, DRP etc**) Trading under an offer or invitation made to all or most of the Company's security holders, such as a rights issue, a security purchase plan, a dividend

reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This extends to decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.

- **(Secured lender)** Subject to clause 6, disposal of the Company's Securities that is the result of a secured lender exercising their rights (eg. under a margin lending arrangement).

#### **4.6 Short term or speculative trading**

No staff may trade in the Company's Securities on a short term or speculative basis (being frequent and regular trading activity with a view to deriving profit related income from that activity).

### **5. Prohibition on Hedging**

#### **5.1 Unvested Securities**

Staff must not engage in hedging arrangements over unvested Securities issued pursuant to any Company's share scheme, performance rights plan or option plan.

#### **5.2 Vested Securities**

In relation to vested Securities these may only be hedged once they are exercised into shareholdings and only under the following conditions:

- the details of the hedge are fully disclosed to the Chair and the Company Secretary (and to ASX and in the Annual Report, as appropriate);
- the hedge transaction is treated as a dealing in securities and the restrictions and requirements of this policy are satisfied; and
- all holding locks have been removed from the relevant securities.

### **6. Margin Loans**

A Director or Designated Officer may use vested Securities as security for a margin or other loan, provided that the following are fully disclosed to the Chair and the Company Secretary:

- details of the loan and the security provided for such loan;
- details of any changes to the amount of the loan or to the level of security for such loan; and
- details of any call that is made under the financing arrangement, and of the terms of that call.

Steps must be taken by the Director or Designated Officer to ensure that the terms of the relevant financing arrangements do not require, or allow for, the disposal of the relevant securities at any time when this policy would prohibit that Director or Designated Officer from dealing in the relevant securities.

In the case of the Company Secretary, that notification must be given to the Chair and the Executive Director responsible for finance and in the case of the Chairman, the notification must be given to the Executive Director responsible for finance and the Company Secretary.

## **7. Related Parties**

This policy also applies to any dealings by related parties of staff including:

- (a) spouse or de facto spouses;
- (b) any dependant under 18 years of age; and
- (c) any other party whom or which staff may be deemed to control or significantly influence (for example the trustee or beneficiary of a trust established by or on behalf of the staff member).

It is the duty of staff to seek to avoid any such related party dealing at a time when he or she is himself or herself prohibited from dealing.

## **8. Securities in other companies**

Staff must not deal in Securities of other companies if he or she possesses inside information or price sensitive information in relation to that other company. Through your work, you may be aware of price sensitive information relating to the Company's customers, suppliers, contractors, joint venture partners or other business partners.

For example, if you are aware that the Company is about to sign a major agreement with another company that is likely to have an effect on the share price of either company, you should not deal in shares in either the Company or the other company.

## **9. Breach of Securities Trading Policy**

Compliance with this policy is regarded as a condition of employment. Should this be breached, disciplinary action will be taken which may include termination of employment

## **10. Amendments**

If any material changes are made to this Policy, the Company will give the amended policy to ASX for release to the market within 5 business days of the material change taking effect.

## **11. Guidance**

If you have any questions arising from this trading policy please contact the Company Secretary.

**Approved by the Board  
28 August 2014**