

XS Resources Limited

ACN 624 766 114

**Securities Trading
Policy**

April 2018

1 Introduction

- 1.1 Directors and staff of a listed entity may have Inside Information about the entity that is not generally available to the market. The *Corporations Act 2001* (Cth) (**Corporations Act**) and the Listing Rules of the ASX (**ASX Listing Rules**) require (in general terms) that a person who has Inside Information must not trade in the securities of that entity, either personally or through another person (such as a family member, friend, associate, broker, investment adviser, private company or trust).
- 1.2 This Policy sets out clear restrictions in relation to dealing in the securities of XS and securities of other companies with which XS may be dealing (including contractors or business partners) so that XS Personnel do not trade in XS securities or other securities in a way that breaches the insider trading laws or compromises confidence in XS's investor practices and corporate governance.
- 1.3 This Policy applies to all XS Personnel and their associates (as defined in the Corporations Act).
- 1.4 This Policy should be read together with the Company's Continuous Disclosure Policy, which provides further details of the types of information that might have a material effect on the price or value of XS securities.

2. Explanation of Terms

- 2.1 In this Policy:

ASX means Australian Securities Exchange;

Board means the board of directors of XS;

Company Secretary means the company secretary of XS;

Director means a director of XS;

XS means XS;

Group means XS and its controlled entities;

Inside Information means information that is not disclosed or generally available and, if it were disclosed or generally available, a reasonable person would expect it to have a material effect on the price or value of the Company's securities.

MD means the Managing Director or Chief Executive Officer (or equivalent);

Personnel means XS's directors, executive, employees and contractors.

Policy means this Securities Trading Policy;

Senior Executive means the employees of XS who manage XS pursuant to the directions and delegations of the Board; and

XS means XS Resources Limited.

3. Legal Obligations

3.1 Insider Trading

The insider trading provisions are contained in Part 7.10 Division 3 of the Corporations Act *and* prohibit any person who possesses Inside Information and who knows, or ought reasonably to know, that the information qualifies as Inside Information from:

- (a) dealing in Company shares; or
- (b) procuring another person to deal in Company shares; or
- (c) directly or indirectly communicating the Inside Information, or causing the inside information to be communicated, to any person who they know, or ought reasonably to know, would be likely to deal in Company shares or procure another person to do so.

4. Restrictions on Dealing in XS's Securities

- 4.1 XS Personnel and their associates must not deal in XS's securities where they are in possession of Inside Information.
- 4.2 XS Personnel and their associates are free to deal in securities of other listed companies but not in companies with which XS is dealing (ie customers or suppliers) and where they are in possession of Inside Information in relation to that other company.

5. Further Restrictions Applying to XS Personnel Dealing in XS's Securities

- 5.1 XS Personnel and their associates, are not permitted to deal in XS's securities during a Closed Period except in exceptional Circumstances.
- 5.2 **Closed Period** means the following periods:
 - (a) the period that is 7 calendar days prior to release of the Company's half year results; and
 - (b) the period that is 7 calendar days prior to release of the Company's full-year results.
- 5.3 XS Personnel and their associates are not permitted to deal in XS's securities during any prohibited period that the Board declares from time to time, except in Exceptional Circumstances. The Board may at its discretion declare a prohibited period for a specified time period (such as when XS is considering matters which are subject to continuous disclosure exceptions, or prior to the announcement to ASX of a significant matter or event, or upon recommendation by the Managing Director).

- 5.4 In Exceptional Circumstances, XS Personnel and their associates may apply in writing to the Company Secretary for a waiver to the prohibition to deal in XS's securities during a Closed Period or prohibited period. The written submission is to include the nature of the intended form of trading and provide sufficient detail of the circumstances. The application also needs to state that the individual is not in possession of inside information. Exceptional Circumstances include severe financial hardship, compulsion by Court Order, or such other circumstances deemed exceptional by the Board of the Company. Where it is accepted that there are Exceptional Circumstances the Company Secretary will provide the applicant with a written notice of clearance, such trade must take place within 10 days of such clearance.

6. Requirements before Dealing

- 6.1 XS Personnel and their associates can only deal in XS securities provided that:
- (a) you obtain the prior written consent of the Chairperson (or the Board if you are the Chairperson);
 - (b) you confirm to the Chairperson (or the Board if you are the Chairperson) that you are not in possession of any Inside Information;
 - (c) the dealing does not occur during a Closed or prohibited period; and
 - (d) you are not involved in short term or speculative dealing.
- 6.2 the Board, Chairperson or Company Secretary may seek appropriate legal advice to ensure that the proper provision or otherwise of a clearance under section 6.1 and the costs shall be borne by XS.

7. Notification of Dealing

- 7.1 XS Personnel and their associates must confirm the dealing in writing (once it has been completed) to the Company Secretary within two business days after the dealing. The confirmation must include:
- (a) name;
 - (b) details of the relevant interest (direct or indirect) in XS securities subject to the dealing;
 - (c) the date of the dealing, and the number of securities bought or sold;
 - (d) the amount paid or received for the securities;
 - (e) the number of securities held, before and after the trading in securities; and
 - (f) sufficient other information to enable XS to comply with the requirements to notify a change of interests to ASX.

8. Trading Excluded from the Restriction of this Policy

8.1 Trading by XS's Personnel in the following circumstances is excluded from the restrictions in this Policy:

- (a) where securities are acquired by a right of conversion;
- (b) where securities are acquired under a bonus issue made to all holders of securities in the same class;
- (c) where the trading of securities results in no change to the beneficial ownership interest in the securities;
- (d) transfers of securities already held into a superannuation fund or other saving scheme in which the person is a beneficiary;
- (e) where securities are acquired under a dividend reinvestment plan that is available to all holders of securities in the same class;
- (f) where securities are acquired or exercised under a XS share plan (or such equivalent);
- (g) where securities are traded or acquired under an on – market buy back or any rights offer or share purchase plan;
- (h) accepting into a takeover offer;
- (i) a disposal of securities that is the result of secured lender exercising their rights;
- (j) trading under a non-discretionary trading plan for which prior written clearance has been provided where the trading plan was not entered into or amended during a closed period and where the trading plan does not permit officers to exercise any influence or discretion over how when or whether to trade; and
- (k) where a restricted person is a trustee, trade in the securities by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person.

9. ASX Listing Rules

9.1 The Board shall do all acts, matters and things as may be necessary in order to ensure that XS, its officers, and employees comply with the requirements of the ASX Listing Rules (as amended from time to time) in so far as they relate to the Policy.

9.2 In the event that XS makes a material change to the Policy, the Board shall ensure that the amended Policy is given to the Company Announcements Office for release to the market as required by ASX Listing Rule 12.10.

10. More Information

- 10.1 Any XS employee who has queries about this Policy should contact the Company Secretary.

11. Consequences of a Breach of this Policy

- 11.1 A breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for XS and for the individual.

- 11.2 A breach of this Policy may lead to disciplinary action, which may include termination of employment.

12. Policy Review

- 12.1 This Policy is to be reviewed by the Board on a periodic basis.