

# GLOBE METALS AND MINING LIMITED

ACN 114 400 609

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## SECURITIES OWNERSHIP AND DEALING POLICY

### 1. INTRODUCTION

- 1.1 This policy imposes constraints on Directors and Senior Executives of the Company dealing in securities of the Company. It also imposes disclosure requirements on Directors.

### 2. OBJECTIVES

- 2.1 The objectives of this policy are to:

- (a) minimise the risk of Directors and Senior Executives of the Company contravening the laws against insider trading;
- (b) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
- (c) increase transparency with respect to trading in securities of the Company by Directors and Senior Executives.

To achieve these objectives Directors and Senior Executives should consider this policy to be binding on them in the absence of specific exemption by the Board.

### 3. DEALING IN SECURITIES – LEGAL AND OTHER CONSIDERATIONS

- 3.1 Sections 1042B to 1043O of the *Corporations Act 2001* prohibit persons who are in possession of price sensitive information in relation to particular securities that is not generally available to the public from:

- (a) dealing in the securities; or
- (b) communicating the information to others who might deal in the securities. The central test of what constitutes price sensitive information is found in section 1042A. It provides that the insider trading and continuous disclosure rules apply to information concerning a company that a reasonable person would expect to have a material affect on the price or value of securities in the company (“price sensitive information”).

- 3.2 Directors and Senior Executives of the Company will from time to time be in a situation where they are in possession of price sensitive information that is not generally available to the public. Examples are the period prior to release of annual or half-yearly results to Australian Stock Exchange Limited (“**ASX**”) and the period during which a major transaction is being negotiated.

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3.3 The risk of contravention of insider trading laws in relation to information concerning public companies was substantially reduced in 1994 with the introduction of the continuous disclosure regime. Under that regime, public companies are required to disclose all price sensitive information immediately to ASX, except in limited circumstances. The tests of what constitutes price sensitive information under the insider trading laws and under the continuous disclosure requirements are effectively identical. As a consequence, at least in theory, there is no risk of Directors and Senior Executives contravening insider trading laws as all relevant information will already have been disclosed.

3.4 There are a number of limitations and qualifications to the above. They include:

- (a) the ASX Listing Rules and *the Corporations Act 2001* permit companies to not disclose certain information, for example in the situation where an acquisition is being negotiated and remains confidential;
- (b) in the case of a Director, information may be known to a particular Director but not yet by the Company as a whole (ie. the Board);
- (c) the Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance – there will always be some element of delay in doing so; and
- (d) Directors and Senior Executives will generally have a better feel for the performance of the Company than the public.

In these situations there is still potential for contravention. There is also the potential for an appearance of contravention even if there has not been actual contravention. This could reflect badly on the Company as well as on the Director or Senior Executive concerned.

3.5 Another circumstance that must be guarded against is where one or more Directors and Senior Executives are aware of an event or circumstance and the remaining Directors and Senior Executives are not yet aware. In such a circumstance it is important that no Director or Senior Executive deals in securities because:

- (a) there is a risk that they will be found to have been guilty of insider trading even if they had no intention of committing a contravention; and
- (b) of the potential for such circumstances to reflect badly on the Company.

For these reasons, the advice of the Chairman should be sought prior to any dealings taking place, and steps should be taken to ensure that the Chairman is apprised of all relevant considerations by the Continuous Disclosure Manager appointed under ASX Listing Rule 1.1, condition 12.

3.6 In addition to the insider trading and other restrictions in this policy, Directors and Senior Executives also owe a duty of confidentiality to the Company. They must not reveal any confidential information concerning the Company, use that information in any way which may injure or cause loss to the Company or use that information to gain an advantage to themselves.

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Under the *Corporations Act 2001*, a breach of these duties may result in:

- (a) liability for a civil penalty;
- (b) criminal liability if recklessness or dishonesty is involved; and/or
- (c) liability to compensate the Company for any damage it suffers as a result of the disclosure.

## 4. POLICY – DEALING IN SECURITIES

4.1 Directors and Senior Executives can deal in securities of the Company in the following circumstances:

- (a) they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public;
- (b) they have contacted the Chairman or in his absence, the Company Secretary and notified them of their intention to do so and the Chairman or Company Secretary indicates that there is no impediment to them doing so; and
- (c) where the Chairman wishes to deal in securities, he has contacted the Company Secretary and notified him/her of his/her intention to do so and the Company Secretary indicates that there is no impediment to them doing so.

4.2 The Chairman will generally not allow Directors and Senior Executives to deal in securities of the Company as a matter of course in the following periods:

- (a) within the period of 1 month prior to the release of annual or half yearly results;
- (b) within the period of 1 month prior to the issue of a prospectus; and
- (c) there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

Directors and Senior Executives should wait at least 2 days after the relevant release before dealing in securities so that the market has had time to absorb the information.

In specific circumstances however, such as financial hardship, the Chairman may waive the requirement of a Director or Senior Executive to deal in securities outside the above periods on the condition that the Director or Senior Executive can demonstrate to him that they are not in possession of any price sensitive information that is not generally available to the public.

4.3 Directors and Senior Executives must not at any time engage in short-term or speculative trading in securities of the Company.

4.4 Directors and Senior Executives must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, a Director or Senior Executive should not recommend or otherwise suggest to any person

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(including a spouse, relative, friend, trustee of a family trust or directors of a family company) the buying or selling of securities in the Company.

## 5. DIRECTORS – NOTIFICATION OF DEALINGS IN SECURITIES- LEGAL AND OTHER CONSIDERATIONS

5.1 ASX Listing Rules 3.19A and 3.19B require the Company to notify dealing in securities by Directors within 5 business days. Three appendixes are included in the Listing Rules for the purpose of this notification, being 3X Initial Director's Interest Notice, 3Y Change of Director's Interest Notice and 3Z Final Director's Interest Notice.

5.2 Section 205G of the Corporations Act 2001 requires a Director of a listed company to notify ASX within 14 days of acquiring or disposing of a relevant interest in any securities of the Company. This is an obligation of the Director, not the Company. There is no prescribed form for such notifications. ASIC has granted relief from the requirements of section 205G where notifications are made by the Company under Listing Rules 3.19A and 3.19B.

5.3 Senior Executives are required to notify the Chairman, or in his absence, the Company Secretary of any dealings in securities within 5 business days.

## 6. DIRECTORS – POLICY – NOTIFICATION OF DEALING IN SECURITIES

6.1 Directors must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities in the Company.

6.2 Directors have entered into an agreement with the Company under which they are obliged to notify changes in interests in shares and other relevant matters.

## EXPLANATION OF TERMS

For the purposes of this policy:

“**deal in securities**” means buy or sell shares, options or other securities in the Company, or enter into transactions in relation to shares, options or other securities in the Company. It includes procuring another person to do any of these things;

“**price sensitive information**” has the meaning given in paragraph 3.

For the purposes of paragraph 4, directors “**dealing**” includes associates of directors dealing in securities, and it is incumbent on each director to ensure that an associate does not deal in circumstances where the dealing could be attributed to the director concerned.