

## COMET RIDGE LIMITED

### POLICY FOR TRADING IN COMPANY SECURITIES

#### 1. Introduction

The Comet Ridge Limited (“the Company”) “Policy for Trading in Company Securities” or “Share Trading Policy” details the Company’s policy regulating dealings by the Company’s Directors, Officers, Consultants and members of the senior management and other employees in shares, options and other securities (“the Company’s Securities”) issued by the Company, with the objective that no Director, Officer Consultant, or member of the senior management and or an employee will contravene the requirements of the Corporations Act or the ASX Listing Rules.

Any questions as to the operation or application of this Policy should be directed to the Company Secretary before undertaking any transaction(s) involving the Company’s Securities.

#### 2. Purpose

The purpose of this Policy is to ensure that the Company’s Directors, Officers, Consultants, members of the senior management and other employees are aware of the legal restrictions on trading in the Company’s Securities while such a person is in possession of unpublished price-sensitive information concerning the Company.

Additionally, this Policy is intended to minimise the chance that misunderstandings or suspicions arise that the Company’s Directors, Officers, Consultants, members of senior management and other employees are trading the Company’s Securities while in possession of unpublished price-sensitive information.

The Policy recognises it is illegal for a person to trade in Company Securities when he / she possess unpublished price-sensitive information concerning the Company. Compliance with this Policy and the guidelines laid out for trading in the Company’s securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company’s securities. The responsibility for trading Company’s Securities remains with the individual at all times.

#### 3. Insider Trading

Insider trading is the practice of dealing in a company’s securities (i.e. shares or options) by a person with some connection with the Company (e.g. an employee) who is in possession of information generally not available to the public, but maybe relevant to the value of the company’s securities (i.e. unpublished price-sensitive information). Moreover, it may also include the passing on of this information to another (e.g. to a relative or friend).

Insider trading laws apply to all the Company's Directors, Officers, Consultants, members of senior management and other employees and the dealing in the Company's Securities or advising or procuring another person to do so while in the possession of information that is not publicly known and which might have a material effect on the price or value of the Company's Securities. This is a criminal offence which, may result in large fines and/or imprisonment.

It is also available to an aggrieved third party to seek damages in the form of a civil suit against the Company or the person guilty of Insider Trading for any loss suffered as a result of the unlawful trading.

#### **4. Restrictions on Trading**

Consistent with the legal prohibitions on insider trading, all of the Company's Directors, Officers, Consultants, members of senior management and other employees are prohibited from trading in the Company's Securities while in possession of unpublished price-sensitive information concerning the Company or any of its subsidiaries.

The Company's "price-sensitive information" is information which a reasonable person would expect to have a material effect on the price or value of the Company's Securities.

It is assumed for the purpose of this Policy, that the Company's Directors, Officers, Consultants, members of senior management and other employees are often in possession of price-sensitive information by virtue of their position. It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

The prohibition on insider trading applies not only to information in relation to the Company's Securities, but also extends to a situation where a person is in possession of inside information in relation to the securities of another company.

#### **5. Blackout Periods**

Specific "Blackout Periods" on trading in the Company's Securities apply to all the Company's Directors, Officers, Consultants, members of senior management and other employees as well as the immediate family members (including spouses and dependent children), companies, trusts and entities over which any of these persons has control ("Restricted Parties").

Accordingly, trading in the Company's Securities by Restricted Parties is prohibited in the following circumstances or periods:-

- (a) If in possession of price-sensitive information (irrespective of whether during a Blackout Period);
- (b) During the period following the end of the financial quarter up to the day after the release of the Quarterly financial and activity reports; *or*

- (c) During any period when the Board prescribes a period when no trading in the Company's securities by its Directors, Officers, Consultants, members of senior management or other employees, is to occur.

A Blackout Period may be nominated or varied by the Board at any time, notice of which is to be circulated to all Restricted Parties.

These requirements imposed by this Policy are separate from and additional to, the legal prohibitions contained in the Corporations Act dealing with insider trading and in addition all Restricted Parties are still required to seek prior written approval before dealing in the Company's Securities in accordance with clause 9 of this Policy.

## **6. Exceptions to Restriction on Trading in Blackout Periods**

A person may trade in the Company's Securities during a Blackout Period, provided that before doing so they secure prior written approval to do so satisfying one or more of the following criteria:

- (a) The person granting the approval is satisfied that the person seeking approval is not in possession of price sensitive information concerning the Company which, has not previously been released to the market and is in severe financial hardship; *or*
- (b) The person granting the approval is satisfied that the person seeking approval is not in possession of price sensitive information concerning the Company which, has not been previously released to the market and there are other circumstances that are found to be exceptional; *or*
- (c) Where the trading is required to comply with an order of a court, comply with a court enforceable undertaking or some other legal or regulatory requirement; *or*
- (d) The trade is under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution 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 includes 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.

The procedure for a person to seek written approval to trade in the Company's Securities during a Blackout Period is as per the terms of clause 9 of this Policy.

## **7. Employee or Executive Share and Option Plans**

The insider trading restrictions and Blackout Periods will not usually restrict participation in the Company's employee and executive share and option plans in accordance with the Rules or terms of the relevant plan or options. Dependent on the circumstances at the time, any potential application of the provisions of this Policy will be advised in response to a notice to exercise options.

This Policy does apply however to any sale of Company Securities acquired on the exercise of options, or granted pursuant to any Performance Rights Plan including sales as part of a Broker assisted cashless exercise of an option, or any other market sale for the purposes of generating the consideration needed to pay the exercise price of an option.

Hedging practices including put/call arrangements over “in the money” options to hedge against a future drop in share price are specifically prohibited. The Board considers such hedging to be against the spirit of a share option plan and inconsistent with shareholder objectives.

## **8. Margin lending and hedging arrangements**

Restricted Parties must notify the Company Secretary immediately of any arrangement involving:

- a) Margin lending, other securities lending or the granting a charge, lien or other encumbrance over the Company’s Securities; or
- b) Hedging or otherwise entering into a contract with the purpose of securing a profit or avoiding a loss by reference to movements in the price of the Company’s Securities, where the Securities subject to such arrangements represent 5% or more of the Company’s issued capital.

On receiving such notification, the Company Secretary will inform the Board.

Directors and Senior Executives are prohibited from entering into margin loans, hedging or any other arrangement that would have the effect of limiting their exposure to risk in relation to an element of their remuneration that:

- a) Has not vested in that Director or Senior Executive; or
- b) Has vested in that Director or Senior Executive but remains subject to a holding lock

## **9. Associated Entities**

Restricted Parties are prohibited from dealing in the securities of outside companies which they may gain price-sensitive information about, by virtue of their position with the Company. This includes trading in securities of Joint Venture Partners, customers and suppliers, where price-sensitive information in relation to these entities is held. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

## **10. Prior Approval Required**

Directors must not deal in the Company’s Securities without first seeking and obtaining a written acknowledgement from the Chairman of the Company (or in his absence the Company Secretary) prior to any trade, at which time they must confirm that they are not in

possession of any unpublished price-sensitive information. For clarity the Chairman is required to seek written acknowledgement from the Company Secretary and vice versa.

Officers, Consultants, members of senior management and other employees must not deal in the Company's Securities without first seeking and obtaining a written acknowledgment from the Company Secretary (or in his absence the Managing Director), prior to any trade at which time they must confirm that they are not in possession of any unpublished price-sensitive information.

Any Director, Officer, Consultant, member of senior management or other employee seeking permission to trade in the Company's Securities shall make application for written acknowledgement to do so in the form of the annexed application or such form as the Board may from time to time prescribe.

Any written permission granted under this Policy will be valid for a period of 5 business days from the time which the permission is granted or such other period as may be determined by the officer granting the permission. If for any reason the trade or transaction does not proceed, the Company's representative granting the permission is to be advised.

**11. Record of Transactions**

The Company Secretary is to maintain a register of notifications and acknowledgements given in relation to trading in the Company's securities including copies of the applications in the form of the notice **annexed** to this Policy.

***This version of the policy was adopted by the Board on 30 April 2015***



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**Chairman**



Comet Ridge Limited

**APPLICATION FOR CONSENT TO TRADE  
IN THE SECURITIES OF COMET RIDGE LIMITED  
OR A RELATED ENTITY**

Name of Applicant: .....

**Details of Securities Transaction**

Company Name: .....

Type of Securities: .....

Name of Entity  
Acquiring Securities: .....

Proposed Number  
of Securities: .....

Nature of Applicant's  
Interest in Acquiring Entity: .....

Type of Transaction: .....

I, the Applicant, confirm that as far as I am aware, I am not in possession of any unpublished price-sensitive information in relation to Comet Ridge Limited, its subsidiaries or related companies.

If this should change before the security transaction detailed above is completed, I undertake not to proceed with the same.

.....  
Signed by the Applicant

.....  
Dated

Permission to trade in the Company's securities is given on the basis that the transaction is completed by no later than the close of business on \_\_\_\_\_.

.....  
Signed by  
Chairman / Company Secretary / Managing Director

.....  
Dated