

Perpetual Resources Limited ACN 154 516 533 (Company)

Corporate Governance Policies: Share Trading Policy

The Company has adopted this Share Trading Policy (**Policy**) to give guidance to Directors, Key Management Personnel and other employees of the Company and its subsidiaries regarding dealing in Perpetual Securities or entering into transactions in products which operate to limit the economic risk of holding Perpetual Securities.

1. Background

1.1 Framework

This Policy has 3 sections:

- the first section summarises the insider trading provisions of the Corporations Act and applies to all employees;
- the second section sets out the Company's policy about dealing in Perpetual Securities and risk limiting products by Directors and Key Management Personnel of the Company and its subsidiaries; and
- the third section sets out the Company's policy about dealing in Perpetual Securities by other employees (other than Directors and Key Management Personnel).

1.2 Application

The Policy applies to all Perpetual Securities which includes shares (eg ordinary shares and preference shares), options, rights, convertible notes, derivatives and any other financial product able to be traded on ASX or another stock exchange, whether or not such securities are created by the Company or issued or created by third parties. The Policy may also apply where Perpetual Securities are proposed to be used as security for, or are directly associated with, a proposed transaction (eg margin lending). Where this is the case, the proposed transaction should be discussed with the Company Secretary in advance, to determine whether it is covered by this Policy.

In addition, the Policy provisions for Key Management Personnel will apply to any other employee as determined by the Chairman from time to time and so notified in writing by the Company Secretary (see section 4).

1.3 Definitions

AGM means an annual general meeting of the Company;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691;

Board means the board of directors of the Company from time to time;

Chairman means the chairman of the Board from time to time;

Company means Perpetual Resources Limited ACN 154 516 533;

Company Secretary means the person appointed to the role of company secretary from time to time;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Directors means the directors of the Company from time to time;

Key Management Personnel means has the meaning given to the expression in AASB 124: *Related Party Disclosures*

Perpetual Securities means:

- (a) a share in the Company; or
- (b) a debenture of the Company; or
- (c) a right or interest in a share or debenture of the Company; or
- (d) an option to acquire a share, debenture, or right or interest in a share or debenture of the Company.

2. Insider trading

2.1 The Corporations Act prohibition

If you possess information and know, or ought reasonably to know, that:

- (a) the information is not generally available to the market; and
- (b) if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of Perpetual Securities (**inside information**),

then, you must not:

- (c) apply for, buy or sell Perpetual Securities or enter into an agreement to do any of those things;
- (d) procure another person to apply for, buy or sell Perpetual Securities or enter into an agreement to do any of those things; or
- (e) communicate the information to another person if you know, or ought reasonably to know, that the other person would or would be likely to apply for, buy or sell Perpetual Securities or procure a third person to do any of those things.

The prohibition against insider trading under the Corporations Act also applies to price sensitive information relating to other companies of which a person might become aware, including as a consequence of his or her role with the Company.

2.2 When would information have a material effect on the price or value?

Information is likely to have a material effect on the price or value of Perpetual Securities if it would, or would be likely to influence investors to buy or sell Perpetual Securities.

Some examples of information which would be 'inside information' are:

- profit forecasts;
- proposed issues of securities;
- borrowings or funding decisions;
- impending mergers, acquisitions, reconstructions, takeovers, etc;

- significant litigation;
- significant changes in operations;
- new products, services or technology;
- proposed dividends;
- management restructuring; and
- significant new contracts/customers.

2.3 Penalties

If a person contravenes the insider trading provisions of the Corporations Act, he or she will potentially be liable for:

- substantial criminal penalties involving a fine, imprisonment or both; and/or
- a substantial civil penalty order.

If a person contravenes the insider trading provisions, he or she may also be sued for damages by persons suffering loss as a consequence.

IMPORTANT: The guidelines contained in this Policy for permissible trading in Perpetual Securities, set out in sections 3 and 4 below, must be read subject to the insider trading provisions of the Corporations Act summarised above. Even if a 'trading window' is 'open', or if you have been given approval to trade, if you have inside information ***you must not apply for, buy or sell Perpetual Securities, procure another to do any of those things or communicate the inside information to others. If in doubt, consult the Company Secretary.***

3. Company's policy – Directors and Key Management Personnel

3.1 Short term trading

Despite anything in this Policy, Directors and Key Management Personnel of the Company and its subsidiaries must not engage in short term trading of Perpetual Securities.

As a guide, the purchase of securities with a view to resale within a 12 month period and the sale of securities with a view to repurchase within a 12 month period would be considered to be transactions of a short term nature. However, the sale of shares immediately after they have been acquired through the conversion of a security will not be regarded as short term trading. If in doubt as to what constitutes short term trading, consult the Company Secretary.

3.2 Transactions which limit economic risk

This Policy applies equally to Directors and Key Management Personnel engaging in transactions or arrangements in products which operate to limit the economic risk (**risk limiting products**) in Perpetual Securities held by a Director or Key Management Personnel.

In the event that Directors or Key Management Personnel do not enter into such transactions within a 'trading window' (and in accordance with this Policy), they must ensure that the nominated settlement procedures will not allow the trigger of a Perpetual Securities

sale by the third party outside a 'trading window' or in a 'blackout period' (without the necessary approval) and, where possible, be settled by a cash exchange.

3.3 'Trading windows'

Subject to the insider trading provisions of the Corporations Act and the notice requirements set out in this Policy, the recommended times for any Director or Key Management Personnel to deal in Perpetual Securities or risk limiting products to minimise any suggestion of insider trading are:

- (a) during the 6-week period from (and including) the second business day (not including the day of the trigger event concerned) after the following trigger events:
 - (i) date of the Company's AGM;
 - (ii) release of the half yearly results announcement to ASX; and
 - (iii) release of the full year results announcement to ASX;
- (b) during any period determined by the Board and notified to Directors and Key Management Personnel following the release to ASX of price sensitive information which, in the Board's opinion, ensures the market is fully informed; and
- (c) the offer period specified under a disclosure document (eg a prospectus) released by the Company.

3.4 'Blackout periods'

Subject to the exceptions set out below, Directors and Key Management Personnel must not deal in Perpetual Securities or risk limiting products during the following 'blackout periods':

- (a) the period from the close of trading on 31 December each year until the commencement of the trading window on the second business day after the release of the half year results announcement;
- (b) the period from the close of trading on 30 June each year until the commencement of the trading window on the second business day after the release of the full year results announcement;
- (c) the period starting 4 weeks before AGM until the next business day after the AGM; and
- (d) any other period determined by the Board from time to time and notified to Directors and Key Management Personnel.

3.5 Prior notification and/or consent

Dealings in Perpetual Securities or entering into transactions or arrangements in risk limiting products should be limited to the 'trading windows' referred to above in 3.3.

If a Director or a member of the Key Management Personnel wishes to conduct any dealings or enter into transactions during a 'trading window', prior written notification should be given:

- (a) in the case of a Director to the Chairman or his delegate; and
- (b) in the case of Key Management Personnel to the Company Secretary.

Outside a 'trading window', a Director or member of the Key Management Personnel must not transact in Perpetual Securities or engage in transactions or arrangements in risk limiting products without the prior written consent of:

- (a) in the case of a Director – the Chairman or his delegate; and
- (b) in the case of Key Management Personnel – the Company Secretary.

The Chairman or Company Secretary (as applicable) will generally refuse consent for a Director or Key Management Personnel to apply for, buy or sell Perpetual Securities or enter into transactions or arrangements in risk limiting products during a 'blackout period' unless special circumstances exist (including financial hardship and any other exceptional circumstances in which the proposed dealing is the most reasonable course of action available).

If given, consent may take any written form and will be effective after it is given, subject always to the qualification that Directors and Key Management Personnel must not apply for, buy or sell Perpetual Securities or engage in transactions or arrangements in risk limiting products at any time if the Director or Key Management Personnel has or becomes aware of any inside information, even if the Chairman or Company Secretary (as applicable) has given his or her prior written consent.

3.6 Dealings that are excluded from this Policy

- (a) Conversion of securities and participation in dividend reinvestment plans

Subject to the insider trading provisions of the Corporations Act (see section 2), Directors and Key Management Personnel may, at any time:

- (i) acquire ordinary shares in the capital of the Company by conversion of securities giving a right of conversion to ordinary shares (eg exercising options, reset preference shares or converting notes), but may not sell any of the shares received upon exercise of the options other than in accordance with this Policy during a trading window;
- (ii) acquire Perpetual Securities under a bonus issue made to all holders of securities of the same class;
- (iii) acquire Perpetual Securities under a share purchase plan made to all holders of securities of the same class; or
- (iv) acquire Perpetual Securities under a dividend reinvestment plan that is available to all holders of securities of the same class.

- (b) Employee equity plans

Subject to the insider trading provisions of the Corporations Act, employees may at any time:

- (i) apply for or acquire Perpetual Securities under an employee equity plan; or
- (ii) exercise options acquired under an employee equity plan to acquire ordinary shares in the capital of the Company (but you must not sell any of the shares received upon exercise of the options other than in accordance with this Policy and the insider trading provisions (see section 2)).

(c) Transfers to superannuation funds

Subject to the insider trading provisions of the Corporations Act (see section 2), Directors and Key Management Personnel may at any time transfer Perpetual Securities they hold to a superannuation fund or other savings scheme in which they are a beneficiary, provided that the Perpetual Securities are not subject to any dealing restriction imposed outside this Policy.

(d) Takeover offers

Subject to the insider trading provisions of the Corporations Act (see section 2), Directors and Key Management Personnel may dispose of their Perpetual Securities in relation to a takeover offer for the Company, including giving an undertaking to accept, or the acceptance of a takeover offer.

(e) Margin lending

Directors and Key Management Personnel may only enter into a margin lending arrangement if they have complied with this Policy (in particular, with regard to restrictions on transactions in products which operate to limit the economic risk of holding Perpetual Securities).

Subject to the above and subject to the insider trading provision of the Corporations Act (see section 2), it is not a breach of this Policy if a Director or a member of the Key Management Personnel has validly entered into a margin lending arrangement in respect of Perpetual Securities and a disposal of such securities occurs as a result of a secured lender exercising its rights under that arrangement.

3.7 Unvested entitlements

Despite anything in this Policy, Directors and Key Management Personnel of the Company and its subsidiaries must not engage in transactions or arrangements in risk limiting products which operate to limit the economic risk of unvested entitlements to Perpetual Securities (eg hedging arrangements in relation to unvested options or performance rights) or vested Perpetual Securities that are subject to a holding lock or other disposal restriction.

3.8 Specific transactions

The Chairman may, from time to time, specify that Directors or Key Management Personnel (or particular Directors and members of the Key Management Personnel) are restricted from dealing in the securities of other companies which the Company or its subsidiaries may have a close relationship with, such as companies involved in material commercial discussions with the Company or one of its subsidiaries.

4. Other employees

4.1 Employee equity plans

Subject to the insider trading provisions of the Corporations Act (see section 2), employees of the Company and its subsidiaries may at any time:

- (a) apply for or acquire Perpetual Securities under an employee equity plan; or
- (b) exercise options acquired under an employee equity plan to acquire ordinary shares in the Company but may not sell any of the shares received upon exercise of the options other than in accordance with this Policy and the insider trading provisions.

These dealings by employees are excluded from this Policy.

4.2 Generally

Employees (other than Directors and Key Management Personnel) may deal in Perpetual Securities at any time if they do not have any inside information at that time. However, such employees are strongly advised not to deal in Perpetual Securities during 'blackout periods' and to limit dealing in Perpetual Securities to 'trading windows'.

Employees (other than Directors and Key Management Personnel) may, as a consequence of their position or employment, come into possession of inside information as a result of working on a particular project or assisting on a particular matter (eg a proposed acquisition). Such employees may be notified by the Company Secretary that, for the duration of the project or matter, they are subject to the restrictions on buying and selling Perpetual Securities that are usually applied to Directors and Key Management Personnel (as set out in section 3).

An employee who has any doubt or question in the application of this Policy should contact the Company Secretary before dealing in Perpetual Securities.

Approved by the Board on 31 August 2020