



## SHARE TRADING POLICY

### 1. INTRODUCTION

Territory Resources Limited's ("**Territory**" or the "**Company**") share trading policy imposes basic trading restrictions on all employees of Territory and its related companies with 'inside information', and additional trading restrictions on the Directors of the Company and Senior Management who report directly to Managing Director.

The restrictions and procedures in relation to Territory's shares apply equally to trading in all types of Territory's securities including shares, options, warrants, futures, debentures and notes and to securities in Territory's associated entities such as Olympia Resources Limited and Matilda Minerals Limited (**Territory Securities**).

#### **What is inside information?**

**Inside Information** is information that:

- is not generally available; and
- if it were generally available, it would, or would be likely to, influence investors in deciding whether to buy or sell securities.

#### **Insider Trading is prohibited at all times**

If an employee or director possesses inside information, the person must not:

- trade in Territory Securities;
- advise others or procure others to trade in Territory Securities; or
- pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in Territory Securities.

This prohibition applies regardless of how the employee or director learns the information (eg even if the employee or director overhears it or is told it in a social setting).

The prohibition on insider trading applies not only to information concerning Territory Securities. If a person has inside information in relation to securities of another company that person must not deal in those securities.

Directors and employees have a duty of confidentiality to Territory and its affiliated entities, in relation to any confidential information they possess, in addition to obligations under the law in relation to inside information. This duty arises under common law and under the terms of employment.

#### **Breach of the Trading Policy**

Strict compliance with Territory's insider trading policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.





## 2. PURPOSE OF THIS POLICY

The purpose of this Policy is to set out a description of the law and how it relates to:

- employees and directors of Territory ;
- employees of Territory's subsidiaries;
- contractors of Territory or its subsidiaries,

each a 'Territory Person'.

### General Prohibition

If you have price-sensitive information about Territory Securities that is not generally available, under the Corporations Act, you cannot use this information to trade.

An "insider" cannot trade in these securities or encourage others to trade, or give this inside information to anybody else who is likely to use it to trade or get others to trade. If, as an Territory Person you breach this policy, you not only face dismissal, but also possible serious civil and criminal liability.

## 3. WHO IS AN INSIDER?

You are an "Insider":

- if you have information that is not generally available – but if it were generally available, a reasonable person would expect it to have a material effect on the price or value of securities or futures (Inside Information); and
- if you know, or ought reasonably to know, that this information is not generally available; and
- if the information were generally available, it would or would be likely to have a material effect on the price or value of those securities or futures.

## 4. WHAT DO WE MEAN BY TERRITORY SECURITIES?

When we use the term "Territory Securities" in this Policy we do so very broadly. The meaning extends to include the following types of securities in Territory and any company in which Territory has a substantial interest:

- shares;
- debentures (including loan notes);
- unlisted options;
- futures, including futures exchange traded options, equity swaps, futures options, or equity futures, which relate to any securities of the relevant entity;.
- exchange-traded and over the counter put and call options over any of the above securities.

The Company Secretary can help you define securities or futures if you are ever in any doubt.





## 5. WHAT DO WE MEAN BY INFORMATION?

When we use the term "information" in this Policy we mean:

- any fact, matter or circumstance;
- any supposition; or
- any matter relating to the intentions or likely intentions of a person.

Information is not generally available if:

- it is not readily observable;
- if it hasn't become known in a way which is likely to bring it to the attention of people who commonly invest in securities or futures; or
- if a reasonable period for the information to be spread to these people has not passed (being at least 1 full day of share trading).

Information has a material effect on the price or value of securities if it has the potential to influence people who commonly invest in securities (for instance a trader) in their decision to trade or not to trade in these securities.

You may come into possession of Inside Information if you become aware of any of the following when it is not generally available:

- a float, takeover, merger, purchase, sale or partial sale of a business;
- actual or internal forecast profit results;
- details of a new discovery, new product or substantial new business contact;
- the appointment or resignation of a chief executive officer, executive director or chairman;
- actual or proposed major litigation;
- any plans involving securities or securities' futures.

For example, this information may relate to Territory, one of its subsidiaries, a company in which Territory has an interest, a supplier, a purchaser, a contractor or any other company or person.

In addition, as an Territory Person you may come into possession of Inside Information if you are directly involved in a project involving the acquisition or sale of an asset, client relationship management, assessing new applications and credit risk and the negotiation of contracts.

You must follow the rules below if you are an Insider:

- you must not subscribe for, buy or sell securities of the company to which the Inside Information relates, either for yourself, or for another person;
- you must not get another person (whether a family member, friend, associate, colleague, or your private company or trust) to subscribe for, buy or sell the affected securities for you, for another person or from themselves;
- if the affected securities are also listed on a securities exchange, you must not either directly or indirectly, give the Inside Information, or allow it to be given to another person





who you know, or should know, would be likely to do any of the prohibited things described above;

- with regard to futures which relate to a company's securities (including Territory Securities), you must not acquire or dispose of these futures, or offer to agree to acquire or dispose of these futures or attempt to induce others (including family, associates, colleagues, private company or trustee) to do so;
- you must not give any Inside Information to any person who is a trader in, or distributor of, equity products, interest rate products, foreign exchange, commodities, or derivatives thereof, or get them to buy or sell for you or another person on the basis of that Inside Information;
- if you liaise with industry analysts or business journalists working on the business activities of Territory, its subsidiaries, or an entity in which Territory holds a substantial interest you must not give them any inside information about those entities, or confirm for them any suspicions or "hunches" which they may have, even if these hunches are based on their own research and analysis.

## 6. WHEN ARE YOU NO LONGER AN INSIDER

You will no longer be an Insider once the inside information:

- becomes readily available; or
- becomes known in a way which is likely to bring it to the attention of people who commonly invest in securities; **and**
- when a reasonable period has elapsed for the information to come to the attention of people who commonly invest in securities.

## 7. WHAT IF MY JOB MAKES ME A TERRITORY INSIDER ALL OR MOST OF THE TIME?

There are some jobs within Territory and its subsidiaries that by their nature mean you will be an Insider all or most of the time, that is, you will know more about those companies than most other employees. These are usually at senior officer levels, but can also include staff members who support those senior officers.

These employees are defined in this policy as "**Prescribed Employees**".

## 8. WHO IS A PRESCRIBED EMPLOYEE?

A Prescribed Employee includes a Director or a Senior Manager and any person who directly reports to the Managing Director. From time to time, these Prescribed Employees may notify other staff that they too are Prescribed Employees, for example, when staff members work on a confidential transaction which may require them to have Inside Information.





## 9. RULES FOR PRESCRIBED EMPLOYEES

Subject to the following, the general rule is that if you are a Prescribed Employee you must not buy or sell Territory Securities.

The only exceptions to this rule are set out below.

### Trading Windows

A Prescribed Employee may trade in Territory Securities:

- in the (3) three weeks immediately after each quarterly activities statement or each (6) six monthly financial announcement or following the release of a major corporate disclosure document (eg rights issue prospectus), in relation to the relevant company; **and**
- only if the Prescribed Employee does not have any other price-sensitive inside information about Territory Securities that is, Inside Information that might not have been included in the financial announcement, such as a proposed strategic purchase or sale, or other major contract or litigation.

You may NOT 'actively' trade in Territory Securities during the trading window i.e. you can only buy or sell Territory Securities, you cannot do both. The exceptions to this are:

- where there is one trade in each of different classes of Territory Securities. For example, where you buy or sell ordinary shares, or exercise options, you may undertake one such transaction in each of these classes of securities, during the six week window;
- options are exercised to buy Territory Securities and you immediately sell those Territory Securities.

If you have any queries as to what constitutes 'active' trading, please contact the Company Secretary.

## 10. HEDGING POLICY

Directors and Employees that participate in Director Options or the Employee Share Option Plan are prohibited from hedging their options received under the plans prior to the vesting of the options to the participants.

Directors and Employees are permitted to hedge their options on the following conditions:

- (i) All performance hurdles relevant to vesting have been reached and accordingly the options have vested;
- (ii) The fact and nature of the hedge is fully disclosed to the Company Secretary within 5 business days; and
- (iii) If you are a Prescribed Employee then the hedge transaction may not be entered into, renewed or altered outside the Trading Window.

The Company Secretary must report any hedging to:





- (i) The ASX as required by the ASX Listing Rules. Where there is any discretion in this regard, the Company Secretary will err on the side of caution and disclose the hedging; and
- (ii) The Board at the next full Board meeting of the Company.

## 11. CHAIRMAN'S DISCRETION

The Chairman may exercise his or her discretion to authorise a trade where it is reasonable in the circumstances and where there is no apparent breach of the insider trading laws.

Where the Chairman himself/herself is seeking an exemption to the trading window rule, then the request will be considered by the Chairman of the Corporate Governance & Audit Committee, who shall only exercise his or her discretion where it is reasonable in the circumstances and where there is no apparent breach of the insider trading laws.

## 12. QUERIES OR PROBLEMS

If you do accidentally give somebody Inside Information when you shouldn't have, you must immediately tell them that it's insider information and warn them against trading on it, getting others to trade on it, or communicating it to others. You should also contact the Company Secretary for guidance.

If you have any questions about this Policy, or hold securities or futures contrary to this Policy and need to sell them or think you have Inside Information and don't know what to do, please contact the Company Secretary.

Adopted: \_\_\_\_\_

