

Trading Policy

Emperor Range Group Limited (Company)

Release 1

Approved by the Board: 26 Nov 2013

Trading Policy

1 Overview

The Corporations Act 2001 (Cth) prohibits any person who possesses inside information from using that information to deal in shares, debentures, options, warrants, derivatives or other securities, either for personal gain of or the gain of any other person.

The Company is considers 'insider trading' to be both illegal and unethical.

Furthermore, a perception of insider trading on the Company's Shares could undermine the integrity of the market for them and prejudice the reputations of the persons concerned and those associated with them, including the Company itself.

This Trading Policy (**Policy**) provides guidance to Relevant Persons of the Company and their associates if they are contemplating buying or selling the Company's Securities.

2 Terms

For the purpose of this Policy:

Inside Information means information which is not **generally available** to the market and, if it were generally available to the market, would be likely to:

- (a) Have a material effect on the price or value of any company's securities (not just the Company's securities) or
- (b) Influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Note that it does not matter how or where you obtain Inside Information- it does not have to be from the Company or about the Company to constitute Inside Information (eg knowledge of a third party's intention to buy and sell shares in the Company may constitute Inside Information.)

Information is 'generally available' if

- (a) It consists of readily observable matter
- (b) It has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such person has elapsed
- (c) It is derived from information which has been made public; or
- (d) It consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.

Relevant Persons means all directors, officers, management that report directly to the Chief Executive Officer and associates of these persons. Other employees may be deemed to be relevant persons by the Board.

The Board means the Company's Board of Directors.

3 Prohibited Transactions

3.1 Possession of Inside Information

If a Relevant Person has Inside Information relating to the Company and they know or ought to know or ought reasonably to know that it is Inside Information, it is illegal for the person to:

- (a) trade in securities in the Company;
- (b) advise, procure or encourage another person (for example a family member, a friend, a family company or trust) to Trade the Company's securities; or
- (c) pass on information to any other person, if you know or ought to reasonably know that the person may use the information to Trade (or procure another person to Trade) the Company's securities.

3.2 Blackout Periods

Relevant Persons are not permitted to buy or sell the Company's securities during 'blackout periods'. The 'blackout period' extends the entire year except the following trading windows:

- 4 weeks following the release by the Company of its half-yearly results to the ASX;
- 8 weeks following the release by the Company of its annual results to the ASX;
- 8 weeks following the issue of a prospectus; and
- Any other period as determined by the Board of Directors.

3.3 Short term dealings

Short-term dealings involve the trading of the company's securities within 3 months of purchase, by Relevant Persons, and are prohibited under this Policy. Sale of securities acquired by exercising company options is exempt from this Policy.

4 Exclusion

Clause 3 of this Policy does not apply to participating in an employee equity plan operated by the Company.

5 Notification of Proposed Trade in the Company's Securities

Prior to trading in (either buying or selling) the Company's securities, Relevant Persons must notify the Board of their intention to trade, in writing, and confirm that they are not in possession of any unpublished price sensitive information.

The requirement to provide notice of an intention to trade in the Company's securities does not apply to the acquisition of securities through a dividend reinvestment plan. However, the requirement does apply to the trading of the securities once they have been acquired.

Exceptional circumstances

In the event that a relevant person wishes to trade in the company's securities while being excluded from trading by one or more of the categories set out in clause 3 that person may apply to the Board to trade in securities by complying with the notification required under clause 5 and setting out the reasons why they seek a waiver from the Policy. The Board will have regard to the

implications of approving the application and consider the legal and ethical ramifications of the granting the approval.

6 Register of Transactions

The Company Secretary will keep a register of all applications for waiver or permitted transactions. Additionally a register of transactions will also be kept by the Company Secretary and will be presented to the Board for analysis. The Board will examine the register and assess the number and monetary value of transactions and consider this in future applications for waiver and permitted transactions.

7 Penalties for non-compliance

Strict compliance with the Policy is a condition of employment and engagement. Breaches of this Policy, irrespective of whether it amounts to a breach of the law will be subject to disciplinary action. In serious cases, this may include termination of employment or engagement.

If a Director or Officer is convicted of insider trading under the Corporations Act 2001 (Cth), the Act subjects a person to:

- Criminal liability with penalties of large fines (up to \$200,000 per offence) and/or imprisonment; and
- Civil liability for any loss suffered by the suing party or the Company as a result of the illegal insider trading activities.

8 Other information

A copy of this Policy is to be made available to all employees and Relevant Persons. Any question regarding the interpretation of this Policy should be made to the Company Secretary.

9 Review of Policy

The Company Board has approved this Code and will assess this document at regular intervals to make changes where required.