



# Securities Trading Policy

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Energy Technologies Limited (EGY)

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# Securities Trading Policy

## EGY Limited (ACN 002 679 469)

### 1. Introduction

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This is the securities trading policy for Energy Technologies Limited ACN 002 679 469 ("**EGY**") and its Subsidiaries (collectively referred to as the "**EGY Group**"). The Board has approved this policy which outlines the procedures and guidelines in relation to the trading of, and Dealing in, EGY Securities. The Board has adopted this policy to:

- (a) set out the restrictions on Dealing in EGY Securities by people who work for or are associated with the EGY Group;
- (b) provide a brief and high-level summary of the law on insider trading; and
- (c) assist in maintaining market confidence in all Dealings of EGY Securities.

"**Dealing**" is defined in the Glossary set out at the end of this policy.

This is an important document. If you do not understand any aspect of this policy, it is strongly recommended that you contact the Chairman.

It is the personal responsibility of each individual to comply with this policy.

### 2. Background

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In order to preserve the reputation and integrity of the EGY Group, it is vital that when people associated with the EGY Group Deal in EGY Securities those Dealings are both fair and perceived to be fair. When Employees (including Directors) deal in EGY Securities they must be sure that it does not reflect badly on them or the EGY Group. This policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

The general scheme established by this policy regarding permissible Dealings in EGY Securities by Employees is that those persons should:

- (a) not Deal in EGY Securities while in possession of "Inside Information";
- (b) never engage in short term trading of EGY Securities;
- (c) not Deal in EGY Securities during Closed Periods (as defined under section 6.2(a)); and
- (d) otherwise obtain prior written approval to Deal in EGY Securities in accordance with section 6.2(b).

The law relating to insider trading generally restricts the circumstances in which directors, key management personnel and employees of a listed entity (such the EGY) can buy, sell, trade or otherwise Deal in the Securities that have been issued by the company that they

are employed by. In performing their duties owed to the company, they must act in good faith and in the best interests of the company and must not utilise their position for their own gain, or perceived gain or benefit, or for the gain of any person other than the company. Furthermore, the employee must not use their position to induce or solicit another party, either related or non-related, to deal in EGY securities.

The Corporations Act imposes severe penalties (both criminal and civil) on persons who conduct or who are involved with insider trading activities. Any perception of improper conduct by an Employee of the EGY Group as the potential to substantially damage the EGY Group's reputation.

### **3. Overview of the insider trading provisions in the Corporations Act**

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It is illegal for a person to Deal in any Securities of a body corporate (including in EGY Securities), when in possession of information that the person knows, or ought reasonably to know:

is not generally available to the public (including information that the EGY Group has not disclosed to the market in accordance with the EGY Group's Continuous Disclosure and Communications Policy); and

- (a) might have a material effect on the price or value of those Securities if it was generally available ("**Inside Information**").

This prohibition extends to procuring another person to Deal in the Securities of a listed corporation and to communicating the Inside Information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, Deal in the Securities in question or to procure another person to do so.

### **4. Confidentiality and Inside Information**

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A person in possession of Inside Information about the EGY Group has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person who is not an Employee other than in accordance with this policy and the EGY Group's Continuous Disclosure and Communications Policy. Confidentiality is also stressed in relation to communicating with external advisers. Where possible, Employees should seek to avoid disclosing Inside Information to external advisers unless said communication is fit for purpose and the external adviser is made aware that such information is subject to "Information Barriers".

"**Information Barriers**" is defined in the Glossary set out at the end of this policy.

### **5. Communications with outsiders**

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You may be required to speak or otherwise communicate with persons outside the EGY Group such as securities analysts, institutional investors or journalists. It is important that you are aware that selective disclosure of non-public information may result in a breach of the insider trading laws as well as the EGY Group's continuous disclosure obligations. Thus, if a report containing material non-public information concerning the EGY Group was communicated only to local or trade journals and if full public disclosure of the information was not made at the same time in accordance with the Continuous Disclosure and Communications Policy, it is possible that this may give rise to breach of the Corporations Act and the ASX Listing Rules.

It is important to stress that it is the mere fact of communication of the material non-public information that gives rise to liability, not the manner in which it is communicated. For example, the confirmation of an analyst's educated guess about a situation not known to the general public may be just as much a violation as the direct communication of information to an analyst. This is clearly the case even if the analyst's case is based upon his or her independent and creative analysis of publicly available information.

You may be deemed to communicate information in breach of this policy and the Corporations Act by expressing subjective attitudes about the EGY Group's performance or by calling attention to seemingly unrelated pieces of information which, although publicly available, have not previously been communicated as a whole to the general public. It is essential to avoid the indirect communication of information by any means whatsoever.

If, during the course of a discussion with an analyst, journalist or other third party, material non-public information concerning EGY is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until the EGY Group has made full public disclosure of that information. The Chairman should be notified of the situation immediately so that a decision can be made regarding disclosure of the information.

In view of the pitfalls inherent in responding to analyst's projections and questions regarding previously undisclosed operating results or other developments, no comment at all should be made on these matters except to correct serious factual errors in situations in which the facts are in the public domain.

## **6. Restrictions on Employees Dealing in EGY Securities**

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### **6.1 Prohibited Dealings in EGY Securities**

- (a) Insider trading prohibited at all times
- (b) All Employees are prohibited from Dealing in EGY Securities if they are in possession of Inside Information. Prohibition on hedging

Employees are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in EGY Securities.

- (c) Board's discretion

The Board has an absolute discretion to prohibit or otherwise restrict any or all Employees from Dealing in EGY Securities at any time.

### **6.2 Dealing in EGY Securities by Employees**

- (a) Closed Periods

Employees must not Deal in EGY Securities during any of the following periods:

- (i) the period between the EGY's financial half year end and the announcement of half-yearly results;
- (ii) the period between the EGY's financial year end and the announcement of annual results; and

- (iii) the period between 30 September and announcement of September quarterly statement,
- (iv) the period between 31 March and the announcement of the March Quarterly statement,
- (v) the period of one clear trading day from any EGY ASX announcement date, and

each referred to as a "**Closed Period.**"

(b) Dealing outside of the Closed Periods

Outside of the Closed Periods and subject to section 6.1, Employees may Deal in EGY Securities, provided that they have received prior written approval in accordance with the following procedures:

- (i) Employees other than Directors or members of Key Management Personnel of the EGY Group must inform and receive written approval from the company secretary;
- (ii) Directors and members of Key Management Personnel of the EGY Group other than the Chairman must inform and receive written approval from the Chairman; and
- (iii) the Chairman must obtain written approval from the majority of Directors on the Board.

It is intended any such request will be answered within 48 hours.

If written approval is given, the Dealing that has been approved must occur within five business days of the date on which such approval was granted in writing (unless otherwise approved by the Chairman or the Board, as applicable). Further notification and written approval will be required if the proposed Dealing does not occur within the relevant approval period.

(c) Exceptional circumstances

In exceptional circumstances an Employee may seek and be granted approval, from the person(s) responsible for approving a Dealing by them in EGY Securities under section 6.2(b), to sell EGY Securities during a Closed Period that they or their Associated Parties hold.

An Employee who is not in possession of Inside Information, may be given approval to sell (but not to buy) EGY Securities where otherwise restricted by this policy if:

- (i) they are in severe financial difficulty;
- (ii) the disposal is required under a court order or there are court enforceable undertakings, for example in a bona fide family settlement, to transfer or sell the Securities or there is some other overriding legal or regulatory requirement to do so; or
- (iii) there are other exceptional circumstances.

A person is in severe financial difficulty if they have a pressing financial commitment that cannot be satisfied other than by selling EGY Securities. Severe financial difficulty would not normally include a liability to pay tax unless the person has no other means of satisfying the liability.

(d) Granting encumbrances over EGY Securities

A Restricted Person must not include his or her securities in the Company in any type of debt product, which includes but is not limited to, margin loan portfolios, personal loans etc or otherwise deal in securities in the Company pursuant to a margin lending arrangement without first obtaining the Company's consent. Such dealing would include:

- I. entering into a debt arrangement in respect of securities in the Company;
- II. transferring securities in the Company into an existing debt account; and
- III. selling securities in the Company to satisfy a call pursuant to a margin loan.

(e) The Company may, at its discretion, make any clearance granted in accordance with this Clause 5.11 conditional upon such terms and conditions as the Company sees fit (for example, in regard to the circumstances in which the securities in the Company may be sold to satisfy a margin call).

(f) Notification of Dealing(s)

Any Dealing in EGY Securities by an Employee must be reported to the Company Secretary within two business days of the Dealing. In the case of a Dealing by a Director, the Company Secretary must procure that the Dealing is reported to ASX within five business days of the Dealing.

### **6.3 Directors to notify ASX of shareholding**

Each of the Directors must complete ASX Appendices 3X, 3Y or 3Z (as applicable) and provide it to the Company Secretary to be filed with ASX in respect of their shareholding in EGY for the purposes of section 205G of the Corporations Act and Listing Rule 3.19A.

### **6.4 Exercise of options, participation in employee share option plans etc**

Notwithstanding the provisions of this section 6 but subject to the insider trading provisions of the Corporations Act, Employees may at any time:

- (a) acquire EGY Securities under a bonus issue made to all holders of Securities of the same class;
- (b) acquire EGY Securities under a dividend reinvestment, or top-up plan that is available to all holders of Securities of the same class;
- (c) acquire, or agree to acquire, EGY Securities which are convertible into ordinary shares in EGY under an employee share option plan; and
- (d) acquire, or exercise a right to acquire, ordinary shares in EGY under an employee share option plan (but not sell any shares received upon exercise of convertible Securities other than in accordance with this policy).

## 6.5 Dealing that is excluded from this policy

Notwithstanding the provisions of this section 6 but subject to the insider trading provisions of the Corporations Act, the following Dealings by Employees are excluded from the operation of this policy:

- (a) where the trading results in no change in the beneficial interest in EGY Securities, for example, transfer of securities already held into a superannuation fund;
- (b) where trading occurs via investments in a fund or other scheme invested at the discretion of a third party;
- (c) where a Restricted Person is a trustee or investment manager, trading in the securities of the entity by that person provided the person is not a beneficiary of the trust or investment funds and any decision to trade during a prohibited period is taken by the other responsible persons or by the investment managers independently of the restricted person ;
- (d) undertakings or election to take up entitlements under a rights issue or other pre-emptive offer;
- (e) the exercise of entitlements or underwriting of a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
- (f) allowing entitlements to lapse under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
- (g) the sale of sufficient entitlements to allow take up of the balance of the entitlements under a rights issue; and
- (h) agreeing to accept, or the acceptance of, a takeover offer (whether by takeover offer or scheme of arrangement).

## 7. Associated parties

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Each Employee has a personal responsibility to ensure that his or her “**Associated Parties**” comply with the restrictions set out in this policy in respect of Dealings in EGY Securities as though that “**Associated Party**” was an Employee.

For the purposes of this policy, each of the following persons shall be regarded as “**Associated Parties**” of an Employee:

- (a) A family member of an Employee who may be expected to influence, or be influenced by that Employee in his or her dealings with Securities;
- (b) A family member can be, but not limited to, an Employee’s spouse, de facto partner, civil union partner, children who reside at home for more than 6 months in a calendar year or any dependants of the Employee and/or Spouse, de facto partner and civil union partner and partners arising from the registration of a committed relationship or any such agreement;
- (c) any entity controlled by an Employee; and
- (d) any entity controlled by a related party referred to in paragraphs (a) or (b).



## 8. Securities issued by other companies

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While Employees are generally free to deal in Securities in other listed companies, the prohibited conduct under the Corporations Act includes Dealings in the Securities of other listed companies with which the EGY Group may be dealing (such as the EGY Group's customers or joint venture partners) where an Employee possesses Inside Information in relation to the other company. For example, where an Employee is aware the EGY Group is about to sign a major agreement with another company (and that information has not yet been publicly disclosed), the Employee should not Deal in either EGY Securities or the Securities of the other company.

If you are not sure whether you should Deal in another company's Securities, please consult with the Chairman (email communication is acceptable). It is intended that a request will be answered within 48 hours.

## 9. Disclosure

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In order to maintain transparency, this policy is to be disclosed in accordance with the ASX Corporate Governance Principles and Recommendations and to ASX in accordance with the ASX Listing Rules. The policy is also to be made publicly available consistent with the disclosure policy.

## 10. Breaches of policy

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Any breaches of this policy will be severely dealt with and may lead to summary termination.

## 11. Review

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The Board of Directors will conduct an annual review of this policy to confirm that the EGY Group is aware of and understands this policy and that the EGY Group is compliant with it. The Board will need to approve any amendments to this policy that stem from the review.

## 12. Contact

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If you do not understand any aspect of this policy, it is strongly recommended that you contact the Chairman.

## 13. Glossary

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In this policy:

**Associated Parties** has the meaning given to that term under section 7;

**ASX** means ASX Limited or, depending on the context, the financial market it operates;

**ASX Corporate Governance Principles and Recommendations** means the Third edition of the Corporate Governance Principles and Recommendations published by ASX;

**Board** means the board of Directors of the EGY;

**EGY Securities** means Securities issued by EGY;

**Closed Period** has the meaning given to that term under section 6.2(a);

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

**Dealing** includes any transaction associated with subscribing, buying, acquiring, selling, transferring, charging, encumbering, pledging, disposing or converting or agreeing to do so, or procuring, inciting, inducing another person or entity to do any of the aforementioned;

**Director** means a director of EGY;

**Employees** means all:

- (i) Directors, officers and Key Management Personnel of the EGY Group; and
- (ii) employees of, and contractors to, any company forming part of the EGY Group;

**Inside Information** has the meaning given to that term under section 3;

**Information Barriers** means those systems set up and maintained by an Institution in the Finance Industry to maintain a perceived barrier between one division and another to prevent information passing to a party that should not have it. Also called "Chinese Walls";

**Key Management Personnel** has the same meaning given to that term in the Accounting Standards AASB 124 which is "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity"; and

**Securities** includes ordinary shares, preference shares, options rights to subscribe for securities, debentures, convertible notes, derivatives and other financial products that can be traded on a financial market including financial products issued or created over securities by third parties and products which operate to limit economic risk in securities holdings in a company.