



EMPIRE OIL & GAS NL

# Securities Trading Policy



**Empire Oil & Gas NL**

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## Overview

### Purpose and Objectives

This Policy sets out the policy of Empire Oil & Gas NL (**Empire**) regarding:

- buying and selling Securities; and
- complying with the law on insider trading.

### Application

This Policy applies to all Directors and Employees including any person employed by Empire or who otherwise acts as an agent of Empire or performs work for Empire as an independent contractor, including the Chief Executive Officer/Managing Director and other Senior Executives (**Relevant Persons**).

A Relevant Person who is prohibited from dealing in Securities under this Policy must not trade through any member of the Relevant Person's family or through a trust or company over which the Relevant Person has influence or control.

Although this Policy only directly applies to Relevant Persons, the insider trading provisions of the Corporations Act apply to all persons, including immediate family members of Relevant Persons and to companies, trusts and entities controlled by Relevant Persons.

### Responsibility and Accountability

- Every Relevant Person has an individual responsibility to ensure that they comply with the law relating to insider trading and this Policy.
- A breach of the law relating to insider trading can have serious consequences, including individual criminal and civil liability.
- A breach of this Policy by a Relevant Person will be treated by Empire as serious misconduct and may lead to disciplinary action, as referred to in Breach of Policy.

## Dealing in Securities

### Prohibition against Insider Trading

A Relevant Person who possesses Inside Information must not do any of the following things:

- apply for, acquire (other than for the purpose of participating in an Empire employee share plan or incentive scheme, as set out in section Participation in Share Plans and Incentive Schemes of this Policy) or dispose of Securities or enter into an agreement to do so;
- procure any other person to apply for, acquire or dispose of Securities or enter into an agreement to do so; or
- directly or indirectly communicate the Inside Information, or cause the Inside Information to be communicated, to any other person who would be likely to use the Inside Information to engage in the activities specified in this section of this Policy.

It does not matter how or in what capacity a Relevant Person becomes aware of the Inside Information. Information does not have to be obtained from Empire to constitute Inside Information.

### What is Inside Information?

Inside Information is information relating to Empire that is:

- not generally available; and
- if it were generally available, a reasonable person would expect the information to have a material effect on the price or value of Securities.

Information is generally available if:

- it consists of readily observable matter;
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information and, since the information was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from other generally available information.

Information is likely to have a material effect on the price or value of Securities if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of Securities.

Examples of information that might have a material effect on the price or value of Securities include information relating to:

- the financial performance of Empire (including the reaching or failure to reach consensus on stated forecast earnings targets);
- a major acquisition or sale of assets by Empire;
- an actual or proposed takeover or merger by Empire;
- an actual or proposed change to Empire's capital structure;
- the formation or termination of a material contract by Empire;
- a material claim instituted against, by or on behalf of Empire; or
- an unexpected liability.

### Black-Out Periods

There are certain periods during the year (**Black-Out Periods**) in which Relevant Persons must not trade in Securities, irrespective of whether they are in possession of Inside Information.

Black-Out Periods occur:

- at midnight (ACST) on 31 December and continue until midnight (Perth local time) on the next ASX trading day after the day on which Empire's half-year results are released to the ASX;
- at midnight (ACST) on 30 June and continue until midnight (Perth local time) on the next ASX trading day after the day on which Empire's full year results are released to the ASX;
- one week before the release of Empire's quarterly reports and continue until midnight (Perth local time) on the next ASX trading day after the day on which Empire's quarterly reports are released to the ASX; and
- during such other periods as the Board from time to time shall determine (which shall be notified to Relevant Persons by the Chief Executive Officer/Managing Director or Company Secretary).

### Short-Term Dealing Not Permitted

Relevant Persons must not deal in Securities on a short-term basis. Speculating in short-term fluctuations in Securities does not promote shareholder and market confidence in the integrity of Empire or Relevant Persons.

Subject to the trading restrictions set out in this Policy and the law, any acquisition of Securities, other than the vesting of performance rights and the sale of the underlying Securities relating to those rights, triggers a 30 day period where the Securities cannot be sold.

### Participation in Share Plans and Incentive Schemes

The Black-Out Periods do not restrict Relevant Persons participating in an Empire employee share plan or incentive scheme, but do apply to any subsequent trading of Securities to which Relevant Persons become entitled under the relevant employee share plan or incentive scheme.

## Hedging and Margin Loans Not Permitted

Relevant Persons must not engage in hedging, deal in derivatives or enter into arrangements which limit the economic risk related to Securities (including, for example, the use of put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of Securities).

Relevant Persons must also not take out margin loans in connection with Securities or unvested Securities issued pursuant to an Empire employee share plan or incentive scheme without the consent of the Board of Directors.

## Dealing in the Securities of Other Companies

A Relevant Person will be deemed to have Inside Information if the Relevant Person is aware that the Board has been provided with a briefing paper regarding a proposed target or farm-in partner.

In these circumstances, Relevant Persons are prohibited from dealing in shares in the potential target, as well as Securities.

Relevant Persons privy to this information are also required to complete the Securities Trading Insider Trading Protocol contained in Appendix 2 – Securities Trading Insider Trading Protocol.

## Authorised Trading

If a Relevant Person wishes to deal in Securities during a Black-Out Period, the Relevant Person may apply for written permission to deal if exceptional circumstances exist. This is called **Written Clearance**.

Written Clearance is subject to the need for all Relevant Persons to comply with the law at all times.

### Who can give Written Clearance?

Written Clearance can be given by an Authorised Officer. The Authorised Officer changes depending on who is seeking the Written Clearance. The table below sets out who is an Authorised Officer:

Person seeking Written Clearance	Authorised Officer
Chairman	Another Non-Executive Director
Chief Executive Officer/Managing Director, or a Director other than the Chairman	The Chairman, or in the absence of the Chairman, a Non-Executive Director nominated by the Chairman
Any other Relevant Person	The Chief Executive Officer/Managing Director, or in the absence of the Chief Executive Officer/Managing Director, a Non-Executive Director nominated by the Chief Executive Officer/Managing Director

### When can Written Clearance be given?

Written Clearance can only be given if the proposed dealing:

- is not:
  - contrary to law;
  - for speculative gain; or
  - to take advantage of Inside Information; and
- exceptional circumstances exist justifying the issue of the Written Clearance.

### What are Exceptional Circumstances?

What constitutes an exceptional circumstance is a matter for the discretion of the Authorised Officer. However, exceptional circumstances may exist if the proposed dealing is:

- to realise cash in a time of financial hardship;
- to comply with the requirement of a court order or enforceable undertaking; or
- sought because delaying the dealing would:
  - cause greater financial hardship;
  - be exceptionally detrimental to the person's family affairs; or
  - be a breach of a court order.

### What happens if Written Clearance is Granted?

If Written Clearance is granted to a Relevant Person:

- any dealing must occur within 2 Business Days. If the dealing does not occur within this time, the Written Clearance will no longer have effect; and
- confirmation of the dealing must be provided to the Authorised Officer and the Company Secretary using the Notification of Dealing form included in Appendix 1 within 2 Business Days of the dealing.

## Other dealing in Securities

### Directors and Senior Executives

Aside from the prohibitions contained in sections Dealing in Securities and Dealing in the Securities of Other Companies of this Policy, Directors and Senior Executives may deal in Securities only by obtaining prior approval in writing. This is called **Written Approval**.

Written Approval is subject to the need for Directors and Senior Executives to comply with the law at all times.

### Who can give Written Approval?

Written Approval can be given by an Authorised Person. The Authorised Person changes depending on who is seeking the Written Approval. The table below sets out who is an Authorised Person:

Person seeking Written Approval	Authorised Person
Chairman	Another Non-Executive Director
Chief Executive Officer/Managing Director, or a Director other than the Chairman	The Chairman, or in the absence of the Chairman, a Non-Executive Director nominated by the Chairman
Any Senior Executive other than the Chief Executive Officer/Managing Director	The Chief Executive Officer/Managing Director, or in the absence of the Chief Executive Officer/Managing Director, a Non-Executive Director nominated by the Chief Executive Officer/Managing Director

### What happens if Written Approval is Granted?

If Written Approval is granted to a Director or Senior Executive:

- any dealing must occur within 2 Business Days. If the dealing does not occur within this time, the Written Approval will no longer have effect; and
- confirmation of the dealing must be provided by email to the Authorised Person and the Company Secretary using the Notification of Dealing form included in Appendix 1 within 2 Business Days of the dealing.

## Other Relevant Persons

Relevant Persons other than Directors and Senior Executives who deal in Securities must notify the Company Secretary using the Notification of Dealing form included in Appendix 1 within 2 Business Days of the dealing.

## Securities to which this Policy does not apply

This Policy does not apply to a dealing in Securities which:

- does not result in a change in the beneficial ownership of the Securities;
- occurs via investments in a scheme or other arrangement where investment decisions are made by a third party, independently of any Relevant Person; or
- occurs under an offer to all or most of the holders of Securities, for example a rights issue or pursuant to a takeover offer.

## Breach of Policy

Any breach of this Policy will be regarded by Empire as serious misconduct and will be subject to appropriate sanctions.

Any Relevant Person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any Relevant Person who is proven to have breached this Policy could face disciplinary action (including forfeiture of Securities and/or termination of employment).

## Who to Contact

If a Relevant Person is in any doubt regarding a proposed dealing in Securities, the Relevant Person should contact the Company Secretary.

## Publication of Policy

A copy of this Policy is available at [www.empireoil.com.au](http://www.empireoil.com.au).

## Glossary

Term	Definition
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Authorised Officer	means the person identified in section Authorised Trading.
Authorised Person	means the person identified in section Other dealing in Securities.
Black-Out Periods	means the periods specified in section Black-Out Periods.
Board	means Empire's board of directors.
Business Day	means a day that is not a Saturday, Sunday or public holiday in Brisbane.
Chief Executive Officer/Managing Director	means the chief executive officer or equivalent officer (by whatever title known) of Empire.
Chairman	means the person appointed as the chairman of the Board from time to time.
Company Secretary	means the person appointed as the company secretary of Empire from time to time.
Corporations Act	means the Corporations Act 2001 (Cth).

Term	Definition
Director	means the persons appointed as directors of Empire from time to time.
Empire	means Empire Oil & Gas NL ABN 55 063 613 730.
Employee	means any person employed by Empire or who otherwise acts as an agent of Empire or performs work for Empire as an independent contractor, including the Chief Executive Officer/Managing Director and other Senior Executives.
Inside Information	means the information referred to in section What is Inside Information?.
Policy	means this document or any amending or replacement document.
Relevant Persons	means Directors and Employees.
Securities	means securities of Empire within the meaning of section 92 of the Corporations Act but also extends to financial products issued or created over or in respect of securities issued by Empire (for example, warrants and other derivative products), whether or not the financial products are created by Empire or by third parties.
Senior Executives	means the senior management team (excluding Board members but including the Chief Executive Officer/Managing Director) of Empire, being those who have the opportunity to materially influence the integrity, strategy and operation of Empire and its financial performance.
Written Approval	means the authority in written or electronic format to deal in Securities given pursuant to section Other dealing in Securities.
Written Clearance	means the authority in written or electronic format to deal in Securities given pursuant to section Authorised Trading.

## Appendix 1 – Notification of Dealing

For completion by Empire Oil & Gas NL Director or Employee or Contractor

<b>Name of Director or Employee or Contractor</b>	
<b>Description of Securities (i.e. number of Securities)</b>	
<b>Nature of agreement/dealing (sale / purchase / subscription)</b>	
<b>Date of transaction (i.e. completion dated)</b>	

I confirm that:

- a) I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of Empire Oil & Gas NL Securities; and
- b) the transaction in Empire Oil & Gas NL Securities described above does not contravene the current Empire Oil & Gas NL Securities Trading Policy.

<b>Signed:</b>	
<b>Dated:</b>	

## Appendix 2 – Securities Trading Insider Trading Protocol

### You are, or may become, an Insider

Your involvement as a director or employee of Empire may cause you to come into the possession of information (**Inside Information**) in connection with the proposed acquisition (**Project**) of a particular entity (**Company**) by Empire Oil & Gas NL (**Empire**) (as specified in the Schedule), in which case you will be considered to be an **Insider**.

As an Insider, you must not, in possession of Inside Information in relation to the Project, engage in insider trading by doing any of the following:

- buy, sell or otherwise deal in the Company's shares or Empire's shares (**Dealing**);
- advise, procure or encourage another person to buy, sell or otherwise deal in the Company's shares or Empire's shares or securities which are convertible into the Company's shares or Empire's shares (**Procuring a Dealing**); or
- pass on Inside Information to another person you know, or ought reasonably to know, may use the Inside Information to deal or procure a dealing (**Tipping**).

If you obtain Inside Information in relation to the Project, you may be restricted from Dealing, Procuring a Dealing or Tipping until the information ceases to be Inside Information. This may not occur until the Project has successfully completed or a suitable announcement has been made to the market.

Please contact the Company Secretary of Empire if you have any questions or concerns about any information you possess in relation to the Project.

### What is Inside Information?

Inside information means information that:-

- is not generally available; and
- if it were generally available, a reasonable person would expect the information to have a material effect on the price or value of securities (that is, the information is "price sensitive"). Information will be regarded as being price sensitive if it would, or would be likely to, influence a reasonable person who commonly invests in securities or other traded financial products in deciding whether or not to deal in the securities.

In the context of the Project, Inside Information is likely to include (to the extent it is not generally available):

- information regarding any proposal made, or proposed to be made, to the Company, including the nature of the proposal and its timing, price and terms and conditions;
- information regarding any transaction which is or may be announced to the market (including any control transaction by way of a scheme of arrangement or takeover bid), for example:
  - any proposed changes to the consideration offered (or to be offered);
  - the status and/or waiver of any bid conditions;
  - the intentions of the bidder regarding the Company; and
  - any other information that would be material to an assessment of the takeover bid and whether to accept it, including in relation to the value attributed to the Company's shares;
- information regarding the current financial performance or financial condition of the Company or its prospects;
- information regarding the combination of Empire and the Company and any synergies of the transaction; and
- information regarding the operations or affairs of the Company, for example, confidential information about the terms of a material contract, potential material claims involving the Company and other undisclosed liabilities of the Company.

### Recommended steps to Minimise Risks

To minimise the potential for insider trading to occur in connection with the Project, Empire will maintain a list of all directors and employees who have access to, or may have received, Inside Information in relation to the Project (**Insider List**) with details of the date the director or employee is likely to have become an Insider.

You should be aware that:

- ASIC or the ASX may request a copy of the Insider List at any time and, in fact, ASIC routinely requests such a list upon the announcement of a proposed acquisition;
- communications between directors or employees and third parties (including the Company and its advisers) likely to possess Inside Information may be monitored by Empire to ensure compliance with the insider trading rules in connection with the Project;
- all Insiders are prohibited from Dealing, Procuring a Dealing and Tipping in relation to Empire's shares and the Company's shares unless the Insider obtains the prior written approval of the Company Secretary of Empire; and
- any queries regarding the insider trading rules and their application in any particular situation are referred to the Company Secretary of Empire.

If you are an employee of Empire, your non-compliance with these insider trading rules may result in summary termination of your employment.

Schedule

**1. Target:** \_\_\_\_\_ **(Company)**

**2. Project Name:** \_\_\_\_\_ **(Project)**

TO THE COMPANY SECRETARY

**Name of Director or Employee or Contractor:** \_\_\_\_\_

I agree to be bound by the Securities Trading Insider Trading Protocol attached.

\_\_\_\_\_  
**Signature of Director or Employee or Contractor**

\_\_\_\_\_  
**Witness Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Witness Name**