



# SILVER SWAN GROUP

## Securities Trading Policy

### 1. Introduction

The Employees and Directors of Silver Swan Group Limited ("SWN") may have in their possession, sensitive commercial information which could materially affect the value of SWN securities. The Corporations Act 2001(CA) prohibits insider trading in relation to financial products including securities. The provisions are wide ranging and breaches are serious offences.

This document:

- (a) provides an outline of the insider trading and other relevant provisions of the Corporations Act;
- (b) sets out the rules relating to dealings by Employees and Directors in securities issued by SWN;

This policy is designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. Ultimately it is the responsibility of the Employee and Director to ensure that none of his or her dealings could constitute insider trading.

### 2. Insider Trading Prohibition

#### 2.1 The Nature of the Prohibition

Under the Corporations Act, a person is prohibited from dealing in securities where:

- the person possesses information which is not generally available to the public; and
- that information may have a material effect on the price or value of securities of the relevant entity; and
- the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of securities.

In addition, a person with inside information must not procure another person to deal in SWN's securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in SWN's securities.

## 2.2 How You Become Aware of the Information is Irrelevant

It is irrelevant how or in what capacity the person comes into possession of the information. This means that S 1043A will apply to any Employee or Director who acquires “inside information” in relation to SWN securities, no matter in which capacity and is prohibited from dealing in those securities.

## 2.3 What Does Information Include?

For the purposes of the insider trading provisions of the *Corporations Act*, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

## 2.4 Information that might Materially affect Price or Value?

Means information that a reasonable person would expect to have a material effect on the price or value of SWN securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so.

Examples of this type of information which might affect the price or value of SWN securities include:

- proposed changes in capital structure, capital returns and buy backs;
- information relating to SWN’s financial results;
- a material acquisition, divestment or realisation of assets;
- proposed dividends and share issues;
- changes to the board;
- possible events which could have a material impact on profits (negatively or positively) e.g, loss of a major customer;
- proposed changes in the nature of the business of SWN;
- notification to SWN of a substantial shareholding; and
- any information required to be announced to the market pursuant to Listing Rule 3.1.

## 3. Dealing in Securities Issued by SWN

### 3.1 When Dealing may Occur

Directors and the Company Secretary must receive clearance for any proposed dealing in SWN’s securities on the ASX as follows:

- a Director and the Company Secretary of SWN must inform and receive approval from the Chairman prior to undertaking a transaction; and
- the Chairman must obtain approval from the Board or the next most senior Director, prior to undertaking a transaction.

It is intended that a request will be answered within 48 hours.

Employees may buy or sell SWN's securities on the ASX during a "Trading Window" being a period of 60 days commencing 48 hours following:

- the announcement of half-yearly results;
- the announcement of annual results; or
- the holding of the Annual General Meeting.

EXCEPT where the Employee is in possession of price sensitive information or where SWN is in possession of price sensitive information and SWN has notified the Employee that they may not buy or sell securities during all or part of any such period.

In addition to trading permitted within the Trading Windows, transactions may also be allowed under the following circumstances providing that prior to buying or selling SWN's securities a Director or Employee contacts the Chairman or the Company Secretary to ensure no important developments are pending which need to be made public before an insider could properly participate in the market:

- Following the release of results, which include adequate comments on new developments;
- Following the wide dissemination of information on the status of SWN and current results;
- At times where there is relative stability in the market for SWN's securities and SWN's operations.

Employees, Directors and the Company Secretary may also buy or sell SWN's securities during the period that SWN has a current prospectus or other form of disclosure document on issue pursuant to which persons may subscribe for securities.

### 3.2 Prohibition on Short Term Dealing

Employees may not deal in SWN's securities on a "short-term" basis. That is Employees may not buy and sell securities within a three month period. In addition, Employees may not enter into any other short term dealings (for example, forward contracts) except with the approval of the Chairman.

### 3.3 Exercise of Options

Options may be exercised at any time in accordance with their terms of issue, unless the Employee is in possession of price sensitive information.

In addition, any dealings in securities acquired upon exercise of options must only occur in accordance with these guidelines.

### 3.4 Confirmation of Dealing that has Occurred

SWN may require an Employee to provide confirmation of dealing in SWN securities by an Employee or his/her associate(s).

### 3.5 Director Requirement to Report to the Market – Listing Rule 3.19A

Directors are required to provide details of all changes to their interest in SWN securities registered in the name of the Director or held on behalf of the Director, directly or

indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame agreed with Company Secretary which allows for compliance with the listing rule obligations.

#### 4. **Related Parties and Relevant Interests**

The restrictions on dealings by an Employee or Director are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, he or she is or is to be treated as interested. For example, if an Employee or Director is a trustee of a trust and is also a beneficiary of the trust, the Employee or Director must not trade in SWN securities on behalf of the trust without reference to this policy.

It is the duty of the Employee and Director to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

#### 5. **Dealing in Securities of other Companies**

Whilst dealing in securities in other listed companies is allowable, the prohibited conduct under the *Corporations Act* includes dealings in securities of SWN as well as of other listed companies with which SWN may be dealing (such as SWNs joint venture partners) where an Employee possesses “inside information” in relation to that other company. That is, if you are aware of information that is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security, you should not deal in the securities of the companies that it affects. For example, where you are aware that SWW is about to sign a major agreement with another company, you should not buy securities in either SWN or the other company.

#### 6. **Conclusion**

Compliance with the rules set out in this document is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both. Failure to comply with this policy could have a damaging impact on perception of SWN within the investment community.