



# **SECURITIES TRADING POLICY**

## Table of Contents

1.	Overview .....	2
2.	Insider Trading .....	2
3.	What is Price Sensitive Information .....	2
4.	When is the Information “Generally Available”? .....	3
5.	Consequences for Breach of the Insider Trading Prohibition .....	3
6.	Dealing in Shares of Other Companies .....	3
7.	Limitation Periods for Buying and Selling Securities – Trading Windows .....	4
8.	Steps to Take When Dealing in the Company’s Securities .....	4
9.	Notification by Directors .....	4
10.	Employee or Executive Securities Plans .....	5
11.	Prohibition on Hedging .....	5
12.	Additional Information .....	5

## 1. Overview

This statement sets out the policy of Fulcrum Lithium Ltd (the **Company**) for employees and directors dealing in the Company's Securities. It summarises the law relating to insider trading and sets trading windows when employees and directors may be entitled to trade.

For the purposes of this policy "Securities" means shares and other instruments considered to be a security for the purposes of the Corporations Act. The definition of a Security is complex and includes not only ordinary shares but also derivative instruments such as exchange traded options and warrants.

If you are in any doubt as to whether or not any instrument you wish to trade is a Security, or how this policy may affect you, should seek assistance from the Company Secretary before trading.

## 2. Insider Trading

If you have price sensitive information relating to the Company (including any of the Company's controlled entities) which has not been published or which is not otherwise generally available you are prohibited from trading at any time in the Company's Securities whilst in the possession of inside information. It is illegal, under the Corporations Act, for you to:

- (a) buy sell or otherwise deal in the Company's Securities;
- (b) advise, procure or encourage another person (including, but without limitation, a relative, friend, family company or trust) to deal in the Company's Securities; or
- (c) pass on information to any other person if you know or reasonably know that the person may use the information to deal (or procure another person to deal) in the Company's Securities.

It is the responsibility of each employee and director (not the Company) to ensure that they do not do any of the things prohibited by insider trading laws. The consequences for breach of this law can include both civil and criminal penalties.

## 3. What is Price Sensitive Information

Price-sensitive information means information relating to the Company or any of the Company's controlled entities that would, if the information were publicly known, be likely to:

- (a) have a material effect on the price or value of 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.

Examples of possible price-sensitive information include, but are not limited to:

- (a) the financial performance of the Company and its controlled entities against budgets;
- (b) entry into or termination of a material contract (such as a major joint venture);
- (c) a material acquisition or sale of assets;
- (d) an actual or proposed takeover or merger;
- (e) an actual or proposed change to the Company's capital structure;

- (f) a proposed dividend or a change in dividend policy; or
- (g) a material claim against the Company or any of its controlled entities or other unexpected liability.

#### **4. When is the Information “Generally Available”?**

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 persons 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 other generally available information.

#### **5. Consequences for Breach of the Insider Trading Prohibition**

Breach of the insider trading prohibition by you or your family members could expose you or them to criminal and civil liability. A breach of insider trading laws or this policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

#### **6. Dealing in Shares of Other Companies**

If you have “price sensitive information” relating to a company other than the Company which is not “generally available” the same insider trading rules outlined above apply to buying and selling Securities in that company. In the course of performing your duties as an employee of the Company, you may obtain price sensitive information relating to another company in a variety of circumstances. Examples include, but are not limited to the following:

- (a) another company may provide price sensitive information about itself to the Company in the course of a proposed transaction;
- (b) another company with whom the Company is dealing may provide price sensitive information about a third company; or
- (c) information concerning the Company or actions which may be taken by the Company (ie a planned transaction or strategic change) could reasonably have an effect on a third party company.

Apart from the application of the insider trading rules to Securities in other companies, employees are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

## **7. Limitation Periods for Buying and Selling Securities – Trading Windows**

Whilst it is unlawful to trade at any time if an employee or director has inside information, there are other periods when trading by employees and directors who generally have access to non-public information is unwise due to the perception that they may possess price sensitive information that is not generally available. For this reason, the Company has limited the times when directors and employees may buy or sell Securities.

Restricted persons must not deal in the Company's securities during any of the following blackout periods unless in special circumstances and with the approval of the Chairman:

- the period each year from the close of trading at the end of the full financial year until 10.00am on the next trading day following the announcement to the ASX of the preliminary final statement or full year results;
- the period each year from the close of trading at the end of the financial half year until 10.00am on the next trading day following the announcement of half-yearly results; and
- any other period that the Company specifies from time to time.

It is recognised that a person in severe financial hardship or other exceptional circumstances may require to dispose of Securities outside the specified windows. In such cases, any director or employee is required to seek the prior written approval of the Chairman who may approve the transaction with respect to the exceptional circumstances. Further, the exception relating to Employee or Executive Securities Plans (if any) set out in clause 10 of this policy may also apply.

Any approval or exception is subject to the overriding obligation of the employee and director to comply with insider trading laws and the obligations under the ASX Listing Rules.

## **8. Steps to Take When Dealing in the Company's Securities**

Any employee or director wishing to deal in the Company's Securities must advise the Chair or the Company Secretary of their intention to do so before dealing in the Securities. This notification obligation operates at all times.

Directors and employees must not deal in the Company's Securities until this notification has been given.

## **9. Notification by Directors**

To enable the Company to comply with its obligations under the ASX Listing Rules, directors are required to immediately notify the Chairman or the Company Secretary of any change to their holding of relevant interests in the Company's Securities.

Whilst the Corporations Act requires directors to notify the ASX of any changes to their holdings within 14 days, the Company is required under the ASX Listing Rules to notify these changes to the ASX within five business days of the change. Notification of any changes to directors' relevant interests in the Company's Securities will also be tabled before the Board.

## **10. Employee or Executive Securities Plans**

Insider trading does not apply to applications for or exercise of Securities under Employee or Executive Securities Plans.

The exercising of options issued under the Company's Employee or Executive Securities Plan (if any) are exempt of the limitation periods as outlined in section 7 of this policy.

However, insider trading rules and this policy do apply in relation to the subsequent disposal of any Securities acquired under an option. Where an employee or executive exercises options while in the possession of price sensitive information, he/she will have to fund the exercise of the options without the financial assistance of a simultaneous sale of some or all shares just acquired.

If the options expire inside a trading window described in clause 7 of this policy, then an employee or executive may simultaneously exercise and sell any Securities subject always to compliance with insider trading laws.

## **11. Prohibition on Hedging**

Directors and employees must not engage in hedging arrangements (including, for example, the use of put and call options or other derivative instruments) over unvested Securities issued pursuant to an Employee or Executive Securities Plan (if any). In addition, any hedging over vested Securities must comply with this Policy.

## **12. Additional Information**

If you have any questions relating to this Security Trading Policy, contact the Company Secretary at the Company's head office.

pjn11798