



**Securities Trading Policy**  
**CG 3.2**

**Approved by the Board on 26 May 2021**

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Michael Utsler  
Executive Chairman



## **Otto Energy Limited Securities Trading Policy CG 3.2**

### **1. Introduction**

The ordinary shares of Otto Energy Limited (the Company) are listed on the Australian Securities Exchange (the ASX). This share trading policy (Policy) has been written in an effort to prevent the incidence of insider trading in the Company's securities by directors, key management personnel, senior managers, other employees and persons associated with any of them. In certain circumstances this policy also applies to contractors and consultants where they may be in possession of unpublished price sensitive information in relation to the Company. It is the responsibility of each individual to comply with this Policy.

This Policy sets out:

- when trading in the Company's securities by directors, key management personnel, senior managers and other employees is permitted;
- procedures to reduce the risk of insider trading; and
- a brief high level summary of the law on insider trading.

### **2. Trading in Company Securities**

Designated Persons, employees and related parties (being persons connected with them who are likely to be influenced by the Designated Persons/employees in their decision making) shall not trade in the Company's securities nor place themselves under suspicion of trading in the Company's securities while in possession of unpublished price sensitive information. In certain circumstances this policy also applies to contractors and consultants.

All Designated Persons and employees should ensure that all transactions in the Company's securities comply with:

- Australian Corporations law and regulations (particularly the insider trading provisions in Section 1043A of the Corporations Act 2001 (Cth) (Corporations Act)).
- The ASX Listing Rules (particularly the continuous disclosure requirements in rule 3.1).
- Any similar legislation in other countries in which the Company conducts transactions.

The Company's securities include ordinary shares, preference shares, options, debentures or debt securities, convertible notes, any other instrument issued or granted by the Company from time to time and financial products issued or created over or in respect of the Company's securities.

Designated Persons mean the directors of the Company, and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

### **3. General Restrictions on Trading**

This Policy imposes trading restrictions on Designated Persons in addition to the insider trading prohibitions imposed by the Corporations Act. At all times, these insider trading prohibitions continue to apply to Designated Persons; compliance with these additional trading restrictions does not necessarily constitute compliance with the insider trading prohibitions.

Preferably a Designated Person should transact in the Company's securities within a 10 working day "Trading Window" following the release of a quarterly activity report or the half year or annual financial reports. The



Designated Person must ensure that they are not aware of any undisclosed material information on the Company that may be material or market sensitive.

Trading can occur outside this Company imposed "Trading Window" provided the Designated Person has followed the approval procedure below.

The Designated Person must:

- ensure that they are not aware of any unpublished information on the Company that may be material or market sensitive; and
- receive prior written approval (email communication is acceptable) for any proposed dealing in the Company's securities by:
  - advising two of the following persons (who must be independent parties) (the Relevant Approvers):
    - ii. the Chief Executive Officer; or
    - iii. an Executive Director or the Company Secretary, and
  - confirming that they are not in possession of unpublished price sensitive information; and
  - receiving written approval from the Relevant Approvers prior to undertaking the proposed dealing. Such approval to deal must be documented in a register to be maintained by the Company Secretary.

If written approval is given, the Designated Person must ordinarily deal within five business days after receiving approval (unless otherwise approved by the Relevant Approvers). Further notification and approval will be required if the proposed dealing does not occur within the relevant approval period.

#### **4. Prohibited Periods for Designated Persons**

Designated Persons must refrain from dealing in the Company's securities during the following periods:

- the period between the end of each quarter and the release of the quarterly activity report, and in the case of the half year or full year ended, the release of the half year or annual financial reports (being the Closed Periods); and
- any additional periods determined by the Company's Board in circumstances where the Company is considering matters which are subject to the exception in ASX Listing Rule 3.1A,

(each a **Prohibited Period**).

#### **5. Exceptional Circumstances**

Trading can occur during a Prohibited Period where the Designated Person:

- advises the two Relevant Approvers in writing of their request to deal in the Company's securities and the reasons for needing to do so during a Prohibited Period;
- confirms that they are not in possession of unpublished price sensitive information; and
- the Relevant Approvers are satisfied that exceptional circumstances exist, and provide written approval to the Designated Person (which may be given by email communication). Such approval must be documented in a register maintained by the Company Secretary.



Exceptional circumstances would exist if:

- the Designated Person is in severe financial hardship (this would include if they had a pressing financial commitment that cannot be satisfied by other means);
- a Designated Person was required by a court order, or there were a court enforceable undertaking (eg in a bona fide family settlement) or some other overriding legal or regulatory requirement, to deal in the Company's securities); or
- the Company's Board, in its discretion, deems such circumstances to be exceptional.

If approval is given to deal during a Prohibited Period, the Designated Person must ordinarily deal within three business days after receiving approval (unless otherwise approved by the Relevant Approvers). Further notification and approval will be required if the proposed dealing does not occur within the relevant approval period.

## **6. Short selling**

Designated Persons, employees and related parties (being persons connected with them who are likely to be influenced by the Designated Persons/employees in their decision making) must not engage in the short selling of the Company's securities at any time. Short selling is the sale of securities that you do not own but have borrowed with a view to later buying those securities back at a lower price to make a profit.

## **7. Short term dealing**

Designated Persons, employees and related parties (being persons connected with them who are likely to be influenced by the Designated Persons/employees in their decision making) must not deal in the Company's securities on a short term or speculative basis. You must not acquire the Company's securities with the intention of disposing or selling them within 30 days of acquisition.

This short term dealing rule does not apply:

- to securities acquired as a result of the exercise of an option or the vesting of rights under the Company's employee share plans as described below; or
- shares acquired under the Company's employee share plans.

## **8. Securities in Other Companies**

If Designated Persons, employees and related parties (being persons connected with them who are likely to be influenced by the Designated Persons/employees in their decision making) have inside information, relating to other entities whether listed in Australia or any other jurisdiction, then they must not deal in the securities of that entity.

Examples of when these extended rules may arise include, but are not limited to, the following:

- another entity may provide material information about itself to the Company in the course of a proposed transaction;
- another entity with whom the Company is dealing may provide material information about a third entity;
- information concerning the Company or actions which may be taken by the Company (i.e. a planned transaction or strategic change) that could reasonably be expected to have an effect on a third party entity; and
- information regarding the outcome of exploration, appraisal or development activities being undertaken



by a joint venturer where this information has not been released to the market.

In addition to the application of the insider trading rules to securities of other entities, all the Company's Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties.

## **9. Exceptions**

For the purposes of this Policy, trading in the Company's securities excludes the exercise or conversion of unlisted options or performance rights over ordinary shares (but not the sale of securities following exercise or conversion).

## **10. Summary of the insider trading prohibition**

If a person has inside information which is not publicly known, it is a criminal offence for that person to: (i) trade in securities; (ii) advise or procure another person to trade in securities; or (iii) pass on inside information to someone else – including colleagues, family or friends – knowing (or where that person should have reasonably known) that the other person will use that information to trade in, or procure someone else to trade in, securities.

Therefore, if a Designated Person, employee or related party possess inside information, they must not buy or sell the Company's securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how that person learnt of the inside information.

"Inside information" is information that: (i) is not generally available; and (ii) if it were generally available, it would (or would be likely to) influence investors in deciding whether to buy or sell the Company's securities. The financial impact of the information is important but strategic and other implications can be equally important in determining whether information is inside information. The definition of information is broad enough to include rumours, matters or supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public. The following list of what inside information could include is illustrative only and is not exhaustive:

- a possible acquisition or sale of any assets or business by the Company;
- the financial performance of the Company against its budget or forecasts;
- senior management or board changes;
- a proposed dividend; or
- a possible change in the Company's capital structure.

## **11. Responsibilities**

Each director and employee is responsible for adhering to the Company's ethical standards for trading in the Company's securities.

## **12. Reporting of Trades**

Designated Persons, employees and related parties (being persons connected with them who are likely to be influenced by the Designated Persons/employees in their decision making) and in certain circumstances contractors and consultants must report all trades to the Company Secretary where they will be recorded in a register.



### **13. Disclosure to ASX**

The ASX Listing Rules require this Policy to be disclosed to ASX. Where the Company makes a material change to this Policy, the amended Policy must be provided to ASX within 5 business days of the material changes taking effect.

In addition, under the ASX Listing Rules, the Company must tell the ASX (in its Appendix 3Y filing) if a change to a notifiable interest of a Company's director occurs no more than 5 business days after the change occurs, including whether the change occurred during a Closed Period where prior written clearance was required, and if so, whether prior written clearance was provided. It is the responsibility of each director to ensure that he/she informs the Company Secretary of such transactions as soon as possible after the event.

#### **Policy history**

Last review:	May 2021
Review frequency:	As required