

SENEX ENERGY LIMITED

ABN 50 008 942 827

SECURITIES TRADING POLICY

9 December 2019

A. Purpose, scope and legal framework

The purpose of this policy is to set out the obligations of directors, officers and employees of Senex and certain other persons who have agreed to be bound by this policy (**Senex People** or individually a **Senex Person**) when dealing in Senex Securities to ensure that:

- a) all dealings are conducted lawfully and appropriately, and, in a manner, which maintains the confidence and integrity of the market in Senex Securities;
- b) legal, regulatory and reputational risk to Senex, and Senex Persons is minimised;
- c) Designated Persons are aware of the additional restrictions that apply to their dealings in Senex Securities.

This policy applies to Senex People and their nominees, agents and other associates, such as family members, family trusts and family companies. Every Senex Person has a personal responsibility to ensure that their associated parties (ie their immediate family, including spouse, partner and dependants, their family company and family trust) comply with the same restrictions as apply to them.

This policy is in addition to legal requirements, including those of the *Corporations Act 2001* (Cth) (**Act**) on Insider Trading (see below). Significant criminal and civil liability and penalties (including imprisonment) may be imposed on any person who breaches any Insider Trading provision. Compliance with this policy or the existence of an exception under this policy may not prevent a breach of the law on Insider Trading.

Under the Act, a person in possession of Inside Information is prohibited from:

- a) dealing in a Security that may be affected by the information (which may be Senex Securities or Securities of any other body or entity);
- b) procuring another person to deal; or
- c) directly or indirectly communicating the information to someone who they think might deal or procure another person to deal.

Inside Information is information that is not generally available and if it were generally available a reasonable person would expect it to have a material effect on the price or value of Senex Securities.

Insider Trading is dealing in Securities whilst in possession of Inside Information.

Security (Securities) includes a share, an option, a right under an employee incentive scheme and any other security, and it may be a Senex security or a security of any other body or entity.

Deal (Dealing) includes:

- a) applying for, acquiring or disposing of a Security; or
- b) entering into an agreement to apply for, acquire, or dispose of, a Security; or
- c) procuring another person to apply for, acquire, or dispose of, a Security, or procuring another person to enter into an agreement to do so.

Every Senex Person is responsible for forming a view as to whether or not they are in possession of Inside Information when trading in Senex Securities. If there is any doubt, the safest course is not to deal.

The Insider Trading prohibition also extends to Dealing through, or procuring a Dealing through, a nominee, agent or other associate, such as a family member, family trust or family company or communicating Inside Information to any of them.

B. Additional Rules for all Senex People

The rules set out below are in addition to the prohibitions and constraints at law (see above).

Rule 1: Communication of non-public information

Disclosure of non-public information may result in a breach of Senex's continuous disclosure obligation, or a breach of the Insider Trading provisions. The Senex **Communications and Disclosure Policy** sets out who has authority to communicate on behalf of Senex and how Senex communicates with external parties. A Senex Person must comply with that policy in any communication with an external party.

If any Senex Person is aware of any disclosure, inadvertent or otherwise, of any material non-public information, they must notify the Company Secretary immediately so that Senex's disclosure obligation can be assessed.

Rule 2: No trading in a Blackout Period

In addition to the restrictions that apply when a Senex Person is in possession of Inside Information, Senex People must not deal in Senex Securities during the following **Blackout Periods**:

- i. the two weeks prior to and including the day of release of the Senex full year results or half year results by ASX;
- ii. the week prior to and including the day of release of the Senex quarterly reports;
- iii. one week prior to and including the day of Senex's Annual General Meeting; and
- iv. any other period notified from time to time.

The Chairman, Chief Executive or Company Secretary may notify of a Blackout Period at any time that any of them considers that prudent to do so, and it will commence when the Chairman, Chief Executive or Company Secretary notifies Senex People of the commencement.

The Blackout Period does not end automatically, it ends when the Chairman, Chief Executive or Company Secretary notifies Senex People that it has ended.

Approval to trade during a Blackout Period may be given in exceptional circumstances. See **Part D** (Exceptions 1 and 2).

Rule 3: No short-term trading

A Senex Person must not engage in short-term trading of Senex Securities. Any sale of Senex Securities within six months after any acquisition of Senex Securities constitutes short-term trading.

In certain circumstances there are some exceptions to short-term trading. See **Part D** (Exception 3).

C. Additional Rules for Designated Persons

Certain Senex People who are likely to be in possession of, or exposed to the development of, Inside Information are subject to additional restrictions.

The following are **Designated Persons**:

- executive and non-executive directors;
- the Chief Executive, Chief Financial Officer, and Company Secretary;
- key management personnel (**KMP**) (as defined under the Corporations Act and ASX listing rules);
- General Managers and other direct reports to the Chief Executive; and
- other persons nominated by the Company Secretary from time to time on the basis that their duties or work may lead to possession or development of information that is or may be Inside Information.

Rule 4: Designated Persons need prior approval for any Dealing in Senex Securities

Any Designated Person wishing to deal in Senex's Securities must give notice and seek prior approval of their intention prior to Dealing in Senex's Securities and follow the process as set out in **Part E**.

Rule 5: Security or control over Senex Securities (margin lending)

A Designated Person (or associated party) proposing to provide any form of security or control over Senex Securities as collateral for a margin loan or finance arrangement, may do so if:

- they have enough cash or collateral available to meet margin calls, including in periods of volatility to be sure they are not to risk breaching this policy; or
- the Senex Securities are minor part of a broader portfolio the subject of the security or control;

provided that, in any case:

- the Designated Person does not contravene another provision of this policy;
- the Designated Person has given notice under **Part E**;
- the terms of this policy continue to apply to the relevant Senex Securities, including the requirement that they not be disposed of in a Blackout Period unless any of the Exceptions under **Part D** apply.

Rule 6: Hedging

Hedging of Senex Securities is subject to the following rules:

- A Designated Person must not enter into a hedging arrangement, deal in a derivative or enter into any other arrangement to protect against or limit the risk associated with a holding of **unvested or restricted** Senex Securities.
- Designated Persons are permitted to hedge their **vested, unrestricted** Senex Securities provided that the hedge transaction is treated as a Dealing in Senex Securities for the purposes of this policy, and with approval under **Part E**.

D. Exceptions

Exception 1 (Rule 2): Exceptions to Blackout Period restrictions

The Blackout Period restrictions (Rule 2) do not apply to:

- a Dealing in Senex Securities by a superannuation fund in which a Senex Person is a beneficiary where any decision to trade during a Blackout Period is taken by the trustees of the fund or by the investment managers independently of and without consulting the Senex Person;
- a Dealing in units or other interests of a fund or scheme (other than a fund or scheme that invests only or predominantly in Senex Securities) where the assets of the fund or scheme are invested at the discretion of a third party independently of and without consulting the Senex Person;
- where a Senex Person is a trustee, a Dealing in Senex Securities by the trust provided the Senex Person is not a beneficiary of the trust and any decision to trade during a Blackout Period is taken by the other trustees or the investment managers independently of and without consulting the Senex Person;
- an undertaking to accept, or the acceptance of, a takeover offer;
- a Dealing in Senex Securities under an offer or invitation made to all or most of the security holders of Senex, such as a rights issue, security purchase plan, dividend or distribution reinvestment plan or an equal access buy-back; or
- the exercise (but not the sale of Senex Securities following exercise) of an option or a right under an employee incentive scheme (such as the Senex Employee Performance Rights Plan), or the conversion of a convertible security.

Exception 2 (Rule 2): Seeking approval to sell during a Blackout Period due to exceptional circumstances

A Senex Person may dispose of (but not acquire) Senex Securities during a Blackout Period if:

- they are not in possession of Inside Information in relation to Senex; and
- they obtain prior approval (even if you are not a Designated Person) to dispose of those Senex Securities during the Blackout Period.

A Senex Person who wishes to deal in Senex Securities under this exception must give notice of their intention and seek prior approval by following the process as set out in [Part E](#).

Approval will only be given where the person giving approval is satisfied that the Senex Person is in financial difficulty, or there is some other exceptional circumstance that requires the Senex Person to dispose of those Senex securities during the Blackout Period.

Exception 3 (Rule 3): Exceptions to prohibition on short-term trading

i. Senex Securities acquired upon exercise of employee options or rights

Notwithstanding the prohibition on short term trading (Rule 3), there are certain circumstances in which a Senex Person who acquires Senex Securities upon exercise of employee options or rights under an employee incentive scheme, or

conversion of convertible securities may sell part or all of those Securities within six months after the acquisition.

This exception applies if:

- they are not in possession of Inside Information in relation to Senex;
- in the case of a Designated Person, with approval under **Part E**;
- they are selling part or all of the Senex shares they acquired on exercise of employee options or rights within 30 days of the acquisition; and
- the sale does not occur during a Blackout Period.

ii. Seeking approval due to financial difficulty or facing other exceptional circumstances

A Senex Person who is in financial difficulty or facing other exceptional circumstances may seek approval to sell Senex Securities within six months after an acquisition of Senex Securities. The Senex Person may only sell Senex securities in such circumstances if:

- they are not in possession of Inside Information in relation to Senex;
- with approval under **Part E**; and
- the sale does not occur during a Blackout Period.

Approval under this Exception 3 ii) will only be given where the person giving approval is satisfied that:

- the Senex Person is or will be in financial difficulty, which may include financial difficulty resulting directly or indirectly from acquisition of Senex Securities; or
- there is some other exceptional circumstance that requires the Senex Person to sell those Senex securities within six months after the acquisition of Senex Securities.

E. Notice and approval

Approval is required for:

- a Senex Person seeking an exception under **Part D**,
- a Designated Person wishing to Deal in Senex's Securities and in any other circumstance where approval is required under this policy.

In the case of security or margin lending that complies with **Rule 5**, notice is to be given in accordance with the provisions below but, in any other case, approval is required.

A notice, and/or a request for approval, must be given prior to Dealing in Senex's Securities and be given to the Primary Approver below:

	PERSON SEEKING APPROVAL	PRIMARY APPROVER	IN HIS/HER ABSENCE
1	Chairman, Chief Executive, Company Secretary, or Chief Financial Officer	At least two of: <ul style="list-style-type: none"> • Chairman of Senex, • Chief Executive, • Company Secretary, or • Chief Financial Officer (other than the person seeking approval)	n/a
2	Directors and officers (other than listed in 1 above)	Company Secretary	Chief Executive
3	Other Designated Persons	Company Secretary	Chief Executive
4	Other Senex Persons	Company Secretary	Chief Executive

The following information is to be provided when seeking approval:

- name of person/entity intending to trade;
- type of Senex Security, e. g ordinary shares; and number of Senex Securities;
- whether the trade is a sale or purchase and the proposed price;
- if seeking an exception, any information supporting your exceptional circumstance;
- if it relates to security, margin lending or hedging, details of those arrangements, including:
 - the number of Senex securities subject to such arrangement;
 - the trigger events for disposal of the securities;
 - any other information that may be relevant to Senex's continuous disclosure obligations, including the ability of the Designated Person to meet any margin call.

Any Dealing must be completed as soon as possible and in any event within 5 business days of receiving approval. Once expired, any request for approval must be re-submitted for a fresh approval and cannot be extended.

The Senex Person/Designation Person must confirm the Dealing and relevant details of the Dealing to the Company Secretary and any other person who provided the approval within 2 business days after the Dealing.

If any Designated Person has provided details of any margin lending arrangements, they must keep the Company Secretary informed of any change in circumstances that may be relevant to Senex's continuous disclosure obligations.

The Company Secretary must report to the Board at the next meeting of Directors any Dealing reported by a Designated Person or any Senex Persons relying on an exception.

F. General

Directors - Every Senex director must provide to Senex all information that Senex requires in order to comply with ASX listing rules for the disclosure of the notifiable interests of directors.

KMP - KMP must provide to Senex all information that Senex requires in order to comply with requirements under the Corporations Act and ASX listing rules for disclosure of their interests in Senex Securities and transactions in Senex Securities.

Compliance - It is the personal responsibility of each individual Senex Person to comply with the law and this policy.

A breach of the Insider Trading laws is a serious offence that may attract both civil and criminal penalties under the Corporations Act. Further, the Board may determine in its discretion, the manner in which any Senex Person who breaches this policy should be dealt with and may direct that any Senex employment or other contractual arrangement with such person be terminated summarily.

Any Senex Person may be asked to confirm their compliance with this policy or provide confirmation of their dealings in Senex's Securities. A Senex Person must respond promptly to any such request.

Senex People must ensure that they not only comply with the letter of this policy but also the spirit, and always consider the risk to both Senex's risk and their own reputation when Dealing.



David Pegg
Company Secretary
Senex Energy Limited

DOCUMENT HISTORY

This policy is a Board approved document.

Revision date	Comments
23 June 2010	Adopted
22 October 2012	General update (approved)
26 September 2013	General update (approved)
9 December 2019	General update (approved)

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