

## Updated Governance Documents

**Base Resources Limited** (ASX & AIM: BSE) ("**Base**") advises that, following a recent review, several of the core policy documents comprising Base's governance framework have been updated. Copies of these updated documents are available from the governance section of the company's website at [www.baseresources.com.au](http://www.baseresources.com.au).

In accordance with the ASX Listing Rules, Base's updated Securities Trading Policy is attached.

ENDS

# CORPORATE PROFILE

Base Resources Limited ABN 88 125 546 910

## DIRECTORS

|                     |                        |
|---------------------|------------------------|
| <b>Keith Spence</b> | Non-Executive Chairman |
| <b>Tim Carstens</b> | Managing Director      |
| <b>Colin Bwy</b>    | Executive Director     |

|                           |                        |
|---------------------------|------------------------|
| <b>Sam Willis</b>         | Non-Executive Director |
| <b>Michael Anderson</b>   | Non-Executive Director |
| <b>Michael Stirzaker</b>  | Non-Executive Director |
| <b>Malcolm Macpherson</b> | Non-Executive Director |

## COMPANY SECRETARY

Chadwick Poletti

## NOMINATED ADVISOR & BROKER

### **RFC Ambrian Limited**

As Nominated Advisor:

Andrew Thomson or Stephen Allen

Phone: +61 (0)8 9480 2500

As Broker:

Jonathan Williams

Phone: +44 20 3440 6800

## AUSTRALIA MEDIA RELATIONS

### **Cannings Purple**

Warrick Hazeldine / Annette Ellis

Email: mvaughan@canningspurple.com.au /

aellis@canningspurple.com.au

Phone: +61 (0)8 6314 6300

## UK MEDIA RELATIONS

### **Tavistock Communications**

Jos Simson / Emily Fenton

Phone: +44 (0) 207 920 3150

## SHARE REGISTRY

### **ASX**

#### **Computershare Investor Services Pty Limited**

Level 11, 172 St Georges Terrace

PERTH WA 6000

Enquiries: 1300 850 505 / +61 (3) 9415 4000

[www.computershare.com.au](http://www.computershare.com.au)

### **AIM**

#### **Computershare Investor Services PLC**

The Pavilions

Bridgwater Road

BRISTOL BS99 6ZZ

Enquiries: +44 (0) 870 702 0003

[www.computershare.co.uk](http://www.computershare.co.uk)

## KENYA MEDIA RELATIONS

### **Africappractice (East Africa)**

David Maingi / James Njuguna / Joan Kimani

Phone: +254 (0)20 239 6899

Email: [jkimani@aficappractice.com](mailto:jkimani@aficappractice.com)

## PRINCIPAL & REGISTERED OFFICE

Level 1, 50 Kings Park Road

West Perth WA 6005

Email: [info@baseresources.com.au](mailto:info@baseresources.com.au)

Phone: +61 (0)8 9413 7400

Fax: +61 (0)8 9322 8912

# SECURITIES TRADING POLICY

## 1. INTRODUCTION

Base is a public company incorporated in Australia. Base's securities are listed on both the Australian Securities Exchange (**ASX**) and the AIM market of the London Stock Exchange (**AIM**).

- This document sets out the policy requirements for the sale, purchase and conversion/exercise of Base securities by Directors and employees of Base and its subsidiaries.
- Base Directors and employees are encouraged to be long-term holders of Base securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.
- The purpose of this Policy is to:
  - assist Directors and employees to avoid conduct known as 'insider trading' which is prohibited under the Corporations Act and the AIM Rules for Companies. In some respects, Base's policy extends beyond the strict requirements of the Corporations Act and the AIM Rules for Companies;
  - explain the type of conduct in relation to dealings in securities of Base that is prohibited under the Corporations Act and the AIM Rules for Companies, which is applicable to **all** Directors and employees of Base and its subsidiaries; and
  - establish a best practice procedure relating to dealing in Base's securities that provides protection to Base, its Directors and employees against the misuse of unpublished information which could materially affect the price or value of Base's securities.

## 2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This Policy applies to the sale, purchase and conversion/exercise of any securities of Base and its subsidiaries, including the entering into of transactions or arrangements which operate to limit the economic risk of a security holding in Base.

## 3. WHAT IS INSIDER TRADING?

### 3.1 Prohibition

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of Base's securities (**Price Sensitive Information**); and
- (b) that person:
  - (i) buys or sells securities in Base;
  - (ii) procures someone else to buy or sell securities in Base; or

- (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of Base.

### 3.2 Examples

To illustrate the prohibition described above, the following are possible examples of Price Sensitive Information which, if made available to the market, may be likely to affect materially the price or value of Base's securities:

- (a) Base considering a major acquisition or disposal of assets;
- (b) the threat of major litigation against Base;
- (c) Base's sales and profit results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity, cash flow or liabilities;
- (e) a significant new development proposal (e.g. a new project);
- (f) the granting (or loss) of a major contract;
- (g) a management or business restructuring proposal; and
- (h) a share issue proposal.

### 3.3 Dealing through third parties

A person does not need to be a Director or employee of Base or its subsidiaries to be guilty of insider trading in relation to securities in Base. The prohibition extends to dealings by Directors and employees through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as **Associates** in this Policy).

### 3.4 Information however obtained

It does not matter how or where a person obtains information – it does not have to be obtained from Base to constitute Price Sensitive Information.

### 3.5 Employee share schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## 4. GUIDELINES FOR TRADING IN BASE'S SECURITIES

### 4.1 General rule

- (a) Directors and employees of Base and its subsidiaries are not permitted to trade Base's securities during the specific "**prohibited periods**" detailed below.
- (b) The prohibited periods are:
  - (i) the period from the end of a quarter until and including the day the quarterly results are announced (which may also be an AIM "Close Period");

- (ii) the period from the end of the half year until and including the day the half year results are announced (which may also be an AIM “Close Period”);
  - (iii) the period from the end of the financial year until and including the day the full year results are announced (which is an AIM “Close Period”); and
  - (iv) the day of the annual general meeting.
- (c) Details on the “**Close Period**” restrictions imposed by the AIM Rules (during which no dealing approval may be granted) are specified in paragraph 5 of this Policy.
- (d) Base may at its discretion vary this rule in relation to a particular prohibited period by general announcement to all Directors and employees either before or during the period. In particular, Base may announce additional prohibited periods during which Base's securities may **not** be traded, including while it considers matters which are exempt from immediate disclosure to ASX under the continuous disclosure rules. However, this rule may not be varied to permit Base's securities to be traded during AIM “Close Periods”.
- (e) However, if a Director or employee of Base or its subsidiaries is in possession of Price Sensitive Information which is not generally available to the market, then he or she must not deal in Base's securities at any time, even if such trading might otherwise be permitted by this Policy.

#### **4.2 No short-term trading in Base's securities**

Directors and employees of Base and its subsidiaries should never engage in short-term trading of Base's securities except for the exercise of options where the resulting shares will be sold shortly thereafter.

#### **4.3 Securities in other companies**

Buying and selling securities of other companies with which Base may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price-sensitive'. For example, where an individual is aware that Base is about to sign a major agreement with another company, they should not buy securities in either Base or the other company.

#### **4.4 Derivatives**

For the avoidance of doubt, Directors and employees of Base and its subsidiaries are prohibited from trading during prohibited periods in financial products issued or created over or in respect of Base's securities.

#### **4.5 Prohibition against hedging unvested entitlements**

Base Directors and employees participating in equity based incentive plans are prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in Base's securities.

#### **4.6 Exceptions**

- (a) Directors and employees of Base and its subsidiaries may at any time:
  - (i) acquire Base securities under a bonus issue made to all holders of securities of the same class;

- (ii) acquire Base securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- (iii) acquire, or agree to acquire shares or acquire or exercise options or performance rights under an employee incentive scheme operated by Base;
- (iv) withdraw ordinary shares in Base held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- (v) acquire ordinary shares in Base as a result of the exercise of options held under an employee option scheme;
- (vi) undertakings or elections to take up entitlements under a rights issue or other pre-emptive offer (including an offer of Base securities in lieu of a cash dividend);
- (vii) the take up of entitlements under a rights issue or other pre-emptive offer (including an offer of Base securities in lieu of a cash dividend);
- (viii) allowing entitlements to lapse under a rights issue or other pre-emptive offer (including an offer of Base securities in lieu of a cash dividend);
- (ix) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue; and
- (x) undertakings to accept, or the acceptance of, a takeover offer.

Notwithstanding that the above dealings are excluded from the operation of this Policy, they remain subject to the insider trading prohibitions under the Corporations Act and to the “**Close Period**” restrictions imposed by the AIM Rules as specified in paragraph 5 of this Policy.

(b) Exceptional Circumstances

- (i) A Director or an employee, who is not in possession of inside Price Sensitive Information in relation to Base, may be given prior written clearance to sell or otherwise dispose of the securities of Base, but not to purchase, other than during a window period under the trading policy where such a person is in severe financial hardship or there are other exceptional circumstances. However, consideration will be given to the requirements under AIM outlined on paragraph 5 of this Policy.
- (ii) A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of Base. For example, a tax liability of such a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A tax liability relating to securities received under an employee incentive scheme would also not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance for the purpose of obtaining prior written clearance to sell or otherwise dispose of securities during a prohibited period.

Other examples include if the person is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell the securities of Base or there is some other overriding legal or regulatory requirement for him or her to do so.

- (iii) In recognition of the case that exceptional circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances, which have not been identified in this Policy, that may be deemed

exceptional by the Chairman, or the Managing Director (where the Chairman is involved).

- (iv) The person seeking clearance to trade in exceptional circumstances must seek prior written approval to do so (in accordance with paragraph 6 below) and satisfy the Chairman, the Board or the Managing Director (as the case may be) that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.
  - (v) If the Chairman, the Board or the Managing Director is in any doubt in making such determinations on behalf of Base, consideration should be given to the purpose of the listing rules and the discretion should be exercised with caution.
  - (vi) Any written approval to deal in Base's securities during the exceptional circumstances shall specify the duration of such clearance.
- (c) It is noted that if Base has in place an active share option plan:
- (i) it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of the options; and
  - (ii) where the exercise price of options is being provided by a margin loan or other form of lending arrangement then there may be a risk that the employee or Director may need to sell shares to avoid providing additional capital or security to the lender in the event of a decrease in the value of the shares.

Were this to occur at a time when the person possessed Price Sensitive Information then the sale of Base's securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the Price Sensitive Information that the person possessed and the person may not have made a profit on the sale. Where Base securities are provided to a lender as security by way of mortgage or charge a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

#### 4.7 Notification of periods when Directors and employees can trade

The Company Secretary will endeavour to notify Directors and employees of the times when they are not permitted to buy or sell Base's securities as set out in paragraph 4.1 and paragraph 5.

### 5. SPECIFIC AIM RESTRICTIONS IN RELATION TO BASE'S SECURITIES

#### 5.1 Close period dealings

- (a) In addition to and notwithstanding Australian laws, the AIM Rules for Companies also impose restrictions in relation to Base's securities. AIM Rule 21 provides that Base must ensure that its Directors and **applicable employees** (as defined in the AIM Rules) do not deal in Base's AIM listed securities during a **close period** (as defined in the AIM Rules).
  - (i) A Director includes persons acting in that capacity whether or not formally appointed.
  - (ii) An **applicable employee** means any employee of Base or its subsidiaries who is likely to be in possession of **unpublished price sensitive information** by virtue of that person's employment position (whether or not the person holds any Base securities).
- (b) Dealing, for present purposes, has a similar meaning as for Australian law – and includes buying or selling Base shares and being granted or exercising any options over Base shares.

- (c) **Close period** means any of the following:
  - (i) the lesser of the period of 2 months before publication of Base's annual results and the period between financial year end and annual results publication time;
  - (ii) the lesser of the period of 2 months before the notification of its half-yearly report and the period between the financial period end and the time of notification; and
  - (iii) when Base is in possession of unpublished price sensitive information.
- (d) **Unpublished price sensitive information** is akin to Price Sensitive Information (or "inside information") and means information which meets all of the following:
  - (i) relates to Base;
  - (ii) is specific or precise;
  - (iii) has not been made public; and
  - (iv) if it were made public, would be likely to have significant effect on the price or value of Base's AIM securities.

## 5.2 Consequences of breaching the AIM Rules

- (a) The London Stock Exchange plc may, among other things, fine Base or cancel its admission to AIM (AIM Rule 42).
- (b) A breach of the AIM Rules may also amount to a breach of Australian law (e.g. in relation to insider trading).

## 6. APPROVAL AND NOTIFICATION REQUIREMENTS

- (a) **Any** Director wishing to buy, sell or exercise rights in relation to Base's securities must obtain the prior approval of the Chairman or the Board before doing so.
- (b) If the Chairman wishes to buy, sell or exercise rights in relation to Base's securities the Chairman must obtain the prior approval of the remaining Board members before doing so.
- (c) Any employee of Base or its subsidiaries who is a first or second line report to a member of EXCO wishing to buy, sell or exercise rights in relation to Base's securities must obtain prior approval of a member of EXCO before doing so.
- (d) Following approval obtained in accordance with paragraph 6 (a), (b) or (c) as applicable, any Director or employee who (or through his or her Associates) buys, sells, or exercises rights in relation to Base securities **must** notify the Company Secretary without delay in writing of the details of the transaction. The details of the transaction which need to be confirmed in writing to the Company Secretary include the following:
  - (i) name;
  - (ii) the name of any person who dealt on one's behalf;
  - (iii) details of the holder of the interest in securities the subject of the dealing;
  - (iv) the nature of the transaction;
  - (v) the date of the dealing;
  - (vi) the number of securities subscribed for, bought or sold;
  - (vii) the amount paid or received for those securities;

- (viii) the number of securities held by the relevant person (directly or indirectly) before and after the dealing; and
- (ix) any other information required for the purposes of compliance with ASX and AIM requirements.
- (e) This notification obligation operates at all times.
- (f) The form to complete and send to the Company Secretary is available on request from the Company Secretary.

## **7. ASX, AIM AND OTHER SECURITIES EXCHANGES NOTIFICATION FOR DIRECTORS**

- (a) Under the AIM Rules, Director dealings (either personally or through an associate) must be notified “without delay”. This applies to dealings in respect of AIM listed securities, and specifies notification by Base to AIM through a Regulatory Information Service provider (AIM Rule 17).
- (b) The ASX Listing Rules require Base to notify ASX within five business days after any dealing in securities of Base (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of Base.
- (c) Directors of Base must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities of Base to ensure that the compliance requirements of both AIM and the ASX are met.
- (d) The Company Secretary will arrange for the lodgement of notification to AIM without delay and for the appropriate ASX Appendix 3X, 3Y or 3Z notification to be lodged with ASX within 5 business days.

## **8. MATERIAL CHANGES TO THE SECURITIES TRADING POLICY**

For purposes of the ASX Listing Rules, amendments to this Policy that would constitute a material change and which would require that the amended policy be given to ASX for release to the market include:

- (a) changes to the periods specified in this Policy when Directors and employees are prohibited from trading in Base’s securities;
- (b) changes with respect to the trading that is excluded from the operation of this Policy; and
- (c) changes with respect to the exceptional circumstances in which Directors and employees may be permitted to trade during a prohibited period.

## **9. EFFECT OF COMPLIANCE WITH THIS POLICY**

Compliance with this Policy for trading in Base’s securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in Base’s securities.

## **10. CONSEQUENCES**

Strict compliance with this Policy is mandatory for all Directors and employees of Base and its subsidiaries.

Contravention of the Corporations Act is a serious matter and may result in criminal or civil liability for those involved. Breaches of this Policy may also damage Base’s reputation in the investment

community and undermine general confidence in the market for Base securities. Therefore, breaches of this Policy will be taken seriously and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

*Effective 5 August 2015*