

# **Green Rock Energy Limited**

## **Share Trading Policy**

**Board Approved - 23 December 2010**

### **Introduction**

1. Sometimes directors, officers and staff of a listed entity may have inside information about the entity that is not generally available to the market. The *Corporations Act* requires (in general terms) that a person who has inside information (defined below) must not trade in securities of that entity, either personally or through another person (such as a family member, friend, broker, investment adviser, private company or trust).
2. Green Rock Energy Limited (“Green Rock” or “GRE”) is listed on the Australian Securities Exchange (ASX) as “GRK”. This policy sets out clear restrictions in relation to dealings in the securities of Green Rock so that Green Rock Officers and other staff do not trade in GRE securities in a way that breaches the insider trading laws or compromises confidence in Green Rock’s investor practices.
3. Every Green Rock Officer and staff member has a personal responsibility to ensure they comply with the law and this policy. A breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for the company and for an individual. In addition breach of this policy may lead to disciplinary action by the Company.

### **Application of this Policy and Definitions**

#### **Application**

4. This policy applies to each person who is a Green Rock Officer and to all other staff of Green Rock.
5. The following people are Officers for the purpose of this policy:
  - 5.1 the non-executive and executive directors of Green Rock;
  - 5.2 the Managing Director, and
  - 5.3 all key management personnel including the Company Secretary

## **Definitions**

6. For the purposes of this policy:
  - 6.1 “GRE securities” includes ordinary shares of GRE, options, and any other interest in an ordinary share of GRE
  - 6.2 “inside information” means information that is not generally available and which a reasonable person would expect, if it was generally available, to have a material effect on the price or value of the company’s securities; inside information may come from the entity itself or someone other than the entity; and
  - 6.3 “trade” includes subscribing for, buying, selling, or otherwise transferring the beneficial or legal interest in a GRE security.

## **Trading in GRE Securities**

### **Insider Trading**

7. A Green Rock Officer or staff member who has inside information must not:
  - 7.1 trade in GRE securities
  - 7.2 advise, procure or encourage another person to trade in GRE securities; or
  - 7.3 pass on information to any other person if they know, or ought reasonable to know, that the person may use the information to trade in (or procure another person to trade in) GRE securities.

### **Black-out periods / trading at other times (subject to insider trading laws)**

8. In addition to the requirements of insider trading laws, Green Rock Officers must not trade in GRE securities in the following “**black-out**” periods:
  - 8.1 during the period following the end of each financial quarter up to and including the day of the release of Green Rock’s Quarterly financial and activity reports to the ASX; or
  - 8.2 for any other period designated as a black-out period by the Board and advised to Green Rock Officers.
9. At any other time other than a black-out period, a Green Rock Officer may trade in GRE securities **only** if they do not have inside information.
10. All other Green Rock staff may trade in GRE securities at any time **only** if they do not have inside information.

11. The provisions of any incentive or share scheme in which a Green Rock Officer or other Green Rock staff members participate may also impose holding or trading restrictions on GRE securities.

### **Notice of Trading in GRE Securities**

#### **Directors**

12. If a director intends to trade in GRE securities, the director must give prior notice of any proposed trade to the Board Chairman. If the Board Chairman intends to trade in GRE securities, prior notice must be given to the Company Secretary. A notice must include a statement that the director does not have insider information.
13. For each trade in GRE securities, the director must subsequently advise the Board Chairman (or in the case of the Board Chairman, the Company Secretary) of the number of GRE securities bought or sold and the date of the trade within three days.
14. Directors are required to give detail of transactions in GRE securities to the Company Secretary within three days for the purpose of Green Rock providing information about a change of a director's interest to the market.

#### **Other Officers**

15. If any Officer other than a director intends to trade in GRE securities, the Officer must give prior notice to the Managing Director. The notice must include a statement that the Officer does not have inside information.
16. For each trade in GRE securities, the Officer must subsequently advise the Company Secretary of the number of GRE securities bought or sold and the date of the trade within three days.

#### **Notification process is not an approval to trade**

17. The process of notifying of an intended trade in GRE securities, as set out in clauses 12 and 15, do not provide for the Board Chairman, Managing Director or Company Secretary (as the case may be) to approve the proposed trade. The person intending to trade in GRE securities is personally responsible for any decision to trade and compliance with the law.

### **Trading Excluded from the Policy**

#### **Incentive schemes and share plans**

18. It is recognised that Officers and staff may be eligible to participate in share and incentive schemes.
19. In these cases, GRE securities are purchased on market by a trustee on behalf of the scheme. The securities are purchased on dates determined in accordance with the terms of each offer.

20. The restrictions on trading in this policy do not apply to the acceptance of offers made by Green Rock or the purchase of GRE securities by the trustee although , wherever possible, any offers in relation to, or purchase of GRE securities should occur outside of a black-out period
21. GRE securities held by an Officer upon vesting may only be traded in accordance with this policy and the terms of the applicable share plan, subject to the insider trading laws.

### **Corporate and other actions**

22. The following trading in GRE securities is excluded from the operation of this policy (but continues to be subject to the requirements of the insider trading laws):
  - 22.1 an undertaking to accept, or the acceptance of, a takeover offer
  - 22.2 trading under an offer or invitation made to all or most of the security holders in Green Rock , such as a rights issue, a share purchase plan where the timing and structure of the offer has been approved by the Green Rock Board; and
  - 22.3 transfer of GRE securities where there is no change in the person's underlying beneficial interest in the securities.

### **Exceptional Circumstances**

23. It is recognised that a Green Rock Officer may need to trade in GRE securities during a black-out period in exceptional circumstances.
24. GRE securities may be traded by an Officer due to exceptional circumstances during a black-out period if:
  - 24.1 the circumstances relate to severe financial hardship or other exceptional personal circumstances (as set out in clause 25) or the proposed transfer is required to give effect to a court order, court enforceable undertaking or other legal or regulatory requirement;
  - 24.2 the person does not have inside information; and
  - 24.3 prior permission to the proposed trade during a black-out period is given in accordance with clauses 26 and 27 of this policy.
25. A Green Rock Officer will be taken for the purposes of this policy to:
  - 25.1 to be in severe financial hardship if, in the opinion of the person authorised to permit the proposed trade under clause 26 , the Officer has a pressing commitment and the proposed sale or disposal of the GRE securities is the only reasonable course of action to overcome these circumstances; and

- 25.2 be subject to other exceptional personal circumstances if, in the opinion of the person authorised to permit the proposed trade under clause 26, the Officer's circumstances are truly exceptional and the proposed sale or disposal of their GRE securities is the only reasonable course of action to overcome these circumstances.
26. An Officer of Green Rock who proposes to trade GRE securities in exceptional circumstances must seek (and obtain) the prior permission of:
- 26.1 in the case of directors, the Board Chairman;
- 26.2 in the case of the Board Chairman, the Company Secretary; or
- 26.3 in the case of all other Officers, the Managing Director
27. Permission to trade during a black-out period must be sought no less than five business days before the proposed trade. The notice must set out the number of GRE securities to be traded, the proposed date(s) for the trade(s), the exceptional circumstances involved and a statement confirming that the Officer does not have inside information. The notice must be given in writing (which includes email).
28. The Officer must not trade the GRE securities unless and until receiving permission for the proposed trade. A decision to permit (or not permit) the proposed trade is at the sole discretion of the Board Chairman, the Company Secretary or the Managing Director (as the case may be) taking into account the person's circumstances and the purpose of the ASX Listing Rules. Where permission is given, the notification must set out the period in which the securities can be traded and be advised in writing (which includes email).
29. Where a person has traded GRE securities in accordance with clauses 24 to 28, he or she must give details of the trade to the Company Secretary within three days of the trade.
30. Permission to trade GRE securities in exceptional circumstances, as set out in clause 24 to 28, is an exception from the operation of this policy during a black-out period and is not an approval for the trade. The person intending to trade in GRE securities is personally responsible for any decision to trade and compliance with the law.

### **Policy Breaches**

31. Any breach of this policy must be immediately advised to the Company Secretary, who, in turn, will report the breach to the Board.
32. A breach of this policy may lead to disciplinary action by the Company.
33. Additionally, a breach of the law relating to insider trading can have serious consequences, including criminal and civil liability, for the company and for an individual.

### **Annual Statement of Compliance by Officers**

34. An Officer must provide a certificate to the Company Secretary following the end of the year in which the Officer confirms compliance with this policy (or advises of any breaches of the policy).

### **Trading in Securities of Other Entities**

35. Officers and staff should ensure that they do not breach the insider trading provisions of the *Corporations Act* in relation to any other entity.

### **Review of Policy**

36. The Board should review this policy each year.

### **Publication**

37. This policy will be made available from the Green Rock website ([www.greenrock.com.au](http://www.greenrock.com.au)) and lodged with the Australian Securities Exchange in accordance with ASX Listing Rules.