

# SHARE TRADING POLICY

## 1 PURPOSE

### 1.1 Scope

This policy summarises the law relating to insider trading, and sets out Buru's trading policy on buying and selling Buru shares, and the exercise of Buru options.

### 1.2 Persons subject to the policy

This policy applies as follows:

- (a) clause 2 (insider trading laws), clause 9 (no short term or speculative trading) and clause 10 (confidentiality) apply to Buru directors, Buru employees and contractors of Buru;
- (b) clauses 3 to 7 apply to all directors of Buru, other Key Management Personnel of Buru, and any other person designated by the Company Secretary (each a "**Designated Person**") and in some instances to family and associates of Designated Persons; and
- (c) clause 8 applies to employees of Buru and those contractors engaged by Buru (and the staff of those contractors) where the services of the contractor are provided predominantly from the offices of Buru, or a Buru operated site.

### 1.3 Key Management Personnel

The individuals that form the Executive Committee, or that report directly to the Executive Chairman, are Key Management Personnel.

### 1.4 Further advice

If you do not understand any aspect of this trading policy, or are uncertain whether it applies to you or your family or associates, please contact the Company Secretary.

## 2 INSIDER TRADING PROHIBITIONS IN THE CORPORATIONS ACT

### 2.1 The insider trading prohibitions

Under the Corporations Act 2001 (Cwlth) ("**Corporations Act**"), if you have Inside Information (as defined in clause 2.2 below) relating to Buru it is illegal for you to:

- (a) deal in (that is, apply for, acquire or dispose of) Buru's securities or enter into an agreement to do so; or
- (b) procure another person to apply for, acquire or dispose of Buru's securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in clauses 2.1(a) or 2.1(b) above.

These prohibitions also apply to the application for, grant, exercise or transfer of an option over Buru's securities and to the securities of other entities if you possess Inside Information about those entities.

It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from Buru to constitute Inside Information.

You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in Buru's securities nor may you give "tips" concerning Inside Information relating to Buru to others.

These prohibitions apply to everyone at all times.

### 2.2 Inside Information

"**Inside Information**" is information relating to Buru which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of Buru's securities. Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in Buru's securities.

Examples of Inside Information could be:

- (a) the financial performance of Buru against its budget;
- (b) changes in Buru's actual or anticipated financial condition or business performance;
- (c) changes in the capital structure of Buru, including proposals to raise additional equity or borrowings;
- (d) proposed changes in the nature of the business of Buru;
- (e) changes to the Board of Directors or significant changes in key management personnel;
- (f) likely or actual entry into, or loss of, a material contract;
- (g) material acquisitions or sales of assets by Buru;

- (h) a proposed dividend or other distribution or a change in dividend policy; or
- (i) a material claim against Buru or other unexpected liability.

### **2.3 When information is generally available**

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX Limited (“**ASX**”) or otherwise similarly brought to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors’ attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in clauses (a) or (b) above.

Examples of possible readily observable matters are:

- (a) *a change in legislation which will affect Buru’s ability to make certain types of investments; or*
- (b) *a severe downturn in global securities markets.*

### **2.4 Penalties**

Breach of the insider trading laws may subject you to:

- (a) criminal liability - penalties include heavy fines and imprisonment;
- (b) civil liability - you can be sued by another party or Buru for any loss suffered as a result of illegal trading activities;
- (c) civil penalty provisions - the Australian Securities and Investments Commission (“**ASIC**”) may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law, this policy, or both, will also be regarded by Buru as serious misconduct which may lead to disciplinary action or dismissal.

### 3 BLACK-OUT PERIODS FOR DESIGNATED PERSONS

#### 3.1 Black-out Periods

Designated Persons must not deal in Buru's shares nor exercise options through a cashless exercise mechanism, during the following periods (except in accordance with this policy):

- (a) the period commencing 14 days prior to the scheduled day for announcement of Buru's half yearly results to ASX and ending at the end of the day of release; and
- (b) the period commencing 14 days prior to the scheduled day for announcement of Buru's annual results to ASX and ending at the end of the day of release;
- (c) in respect of a well drilling program in which Buru has an interest, from the date on which the casing string above the first objective is set (or such earlier time or event as may be notified to staff by the Executive Chairman) until the close of trading on the day that the drilling rig has been released from the relevant location; and
- (d) any other period, specified by the Board to be the subject of this clause 3.1,

("Black-out Period").

Designated Persons may deal in Buru's shares, and exercise options through a cashless exercise mechanism, at other times subject to complying with insider trading prohibitions (see clause 2 above) and the requirements of clause 0 regarding obtaining clearance to deal.

#### 3.2 Associates

The restriction in clause 3.1 also applies to associates of Designated Persons, Clause 4 does not apply to associates of Designated Persons.

"Associates" of a Designated Person includes their family members, trusts, companies, nominees and other persons over whom a Designated Person has, or may be expected to have, investment control or influence. If you are in doubt as to whether a person is an associate, you should contact the Company Secretary who will make a determination on the issue.

## **4 CLEARANCE REQUIREMENTS FOR DESIGNATED PERSONS**

### **4.1 Prior notification**

If a Designated Person (other than the Executive Chairman) proposes to deal in Buru's shares, or exercise options through a cashless exercise mechanism at any time, they must first provide:

- (a) written notice of their intention to the Executive Chairman; and
- (b) confirmation that he or she is not in possession of Inside Information.

If the Executive Chairman proposes to deal in Buru's shares, or exercise options through a cashless exercise mechanism at any time, he must first provide:

- (a) written notice of his intention to the Board; and
- (b) confirmation that he is not in possession of Inside Information.

### **4.2 Confirmation**

Before dealing in Buru's shares, or exercising options through a cashless exercise mechanism, the Designated Person must receive confirmation in writing or email by:

- (a) in the case of the Executive Chairman, the Board,
- (b) for all other Designated Persons, the Executive Chairman (or his delegate).

A confirmation expires seven (7) days from its date, unless it specifies a different expiry date.

A confirmation confirms that the proposed dealing by the Designated Person is within the terms of the trading policy but does not otherwise constitute approval or endorsement of the proposed dealing.

### **4.3 Notification of dealing**

In addition to providing advance notice under clause 0, Designated Persons must confirm in writing or email to the Company Secretary within three (3) business days from when the dealing in Buru's securities has occurred, the number of Buru's securities affected and the relevant parties to the dealing (if known).

### **4.4 Securities of other entities**

The Executive Chairman may extend this policy by specifying that Designated Persons are also restricted from dealing in the securities of other specified entities with which Buru may have a close relationship.

## 5 EXCEPTIONAL CIRCUMSTANCES

A Designated Person may request, and the Executive Chairman (or the Board where the Executive Chairman is involved) may give, prior confirmation for the Designated Person to deal in Buru's shares or options during a Black-out Period, if there are exceptional circumstances (except if this would breach the insider trading prohibitions - see clause 2 above).

Exceptional circumstances may include:

- (a) severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Buru shares;
- (b) requirements under a court order or court enforceable undertakings or other legal or regulatory requirements;
- (c) where an option held by a Designated Person is to expire during the Black-out Period; or
- (d) other exceptional circumstances as determined by the Executive Chairman (or the Board where the Executive Chairman is involved).

## 6 PERMITTED DEALINGS

The following types of dealing are excluded from the operation of clauses 3, 0 and 8 of this policy and may be undertaken at any time without requiring prior notification, approval or confirmation of dealing, subject to the insider trading prohibitions:

- (a) **(superannuation)** transfers of securities which are already held in a superannuation fund or other saving scheme in which the Designated Person or employee is a beneficiary;
- (b) **(third parties)** an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Buru securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) **(other trustees)** where a Designated Person or employee is a trustee, trading in Buru securities by the respective trust provided the Designated Person or employee is not a beneficiary of the trust and any decision to trade during a Black-out Period is taken by the other trustees or by the investment managers independently of the Designated Person or employee;
- (d) **(takeover)** undertakings to accept, or the acceptance of, a takeover offer;
- (e) (SPPs and DRPs) trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by Buru's Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) **(lender disposal)** a disposal of Buru securities that is the result of a secured lender exercising their rights;

- (g) **(incentive scheme)** the exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security; and
- (h) **(trading plan)** trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
  - (i) the Designated Person or employee did not enter into the plan or amend the plan during a Black-out Period; and
  - (ii) the trading plan does not permit the Designated Person or employee to exercise any influence or discretion over how, when, or whether to trade.

However, this policy does not allow the Designated Person or employee to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a Black-out Period other than in exceptional circumstances.

## **7 FURTHER RESTRICTIONS ON DESIGNATED PERSONS**

### **7.1 Margin lending**

A Designated Person may enter into margin loans and other funding arrangements where Buru's securities are used as security, on condition that the relevant Designated Person:

- (a) complies with the requirements of this policy including in relation to Black-out Periods, prior notification and confirmation of dealing; and
- (b) informs the Company Secretary if there is, or reasonably could be, a margin call, event of default or similar occurrence under the arrangements.

### **7.2 No hedging**

Subject to the law, Designated Persons must not:

- (a) enter into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
  - (i) has not vested; or
  - (ii) has vested but remains subject to a holding lock; or
- (b) deal in financial products associated with Buru's securities, except for the type of dealing permitted by law or under clause 6.

### **7.3 Meaning of financial products**

For the purposes of this clause, financial products includes derivatives, options, warrants, futures, forward contracts, swaps and contracts for difference issued or created over or associated with Buru's securities by third parties.

### **7.4 ESOP**

This policy does not restrict the participation in, nor exercise of options under, any employee share option plan (unless the exercise is through a cashless exercise mechanism). The sale of any shares resulting from the exercise of any option will be the subject of this policy.

## **8 APPLICATION OF BLACK-OUT PERIODS TO EMPLOYEES AND CONTRACTORS**

### **8.1 Employees**

Employees of Buru must not deal in Buru's shares during a Black-out Period unless prior approval is obtained from the Company Secretary. This policy does not restrict the participation in, nor exercise of options under, any employee share option plan. However, the sale of any shares resulting from the exercise of any option will be the subject of this policy.

### **8.2 Contractors**

Contractors engaged by Buru (and the staff of those contractors), where the services of the contractor are provided predominantly from the offices of Buru or a Buru operated site, must not deal in Buru's shares during a Black-out Period unless prior approval is obtained from the Company Secretary.

## **9 NO SHORT TERM OR SPECULATIVE TRADING**

Buru encourages Designated Persons, employees and contractors to be long term investors in Buru.

Designated Persons, employees and contractors must not engage in short term or speculative trading in Buru's securities or in financial products associated with Buru's securities. Short term means in less than a three (3) month period.

## **10 CONFIDENTIAL INFORMATION**

Designated Persons, employees and contractors:

- (a) must treat all sensitive, non-public information ("**Confidential Information**") about Buru as confidential and belonging to Buru;
- (b) must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required; and
- (c) must avoid inadvertent or indirect disclosure of Confidential Information.

**Approved by the Board**

Date: 25 September 2018