

Corporate Info

Policies

Securities Trading Policy

1. Background

In order to preserve the reputation and integrity of Alliance Resources Limited (“**Alliance**”), it is vital that when people associated with Alliance deal in Alliance’s securities, those dealings are not only fair, but are seen to be fair. When directors and employees deal in securities of Alliance, they must be sure that it does not reflect badly on them or on Alliance. The following Policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

The general scheme of this Policy regarding allowable dealings by employees and directors in Alliance’s securities is that those persons should:

- (a) never engage in short term trading of Alliance’s securities;
- (b) not deal in Alliance’s securities while in possession of price sensitive information;
- (c) seek clearance from the Company Secretary or Managing Director/Chief Executive Officer (MD/CEO) of any intended transactions involving Alliance’s securities; and
- (d) subject to the above conditions, restrict their buying and selling of Alliance’s securities to within the approved ‘trading windows’.

The law imposes a number of significant restrictions on directors and other employees of companies when they deal in their company’s shares. As fiduciaries, these corporate managers must not utilise their position for their own gain or for the gain of any person other than their Company.

The *Corporations Act 2001* (Cth) imposes severe penalties (both criminal and civil) on persons who conduct insider-trading activities. Perhaps more importantly, any perceptions of improper conduct by members of Alliance has the potential to substantially damage Alliance’s reputation.

This is an important document. It is the personal responsibility of each individual to comply with this Policy. If you do not understand any aspect of this policy, it is strongly recommended that you contact the Company Secretary.

2. Overview of the insider trading provisions in the Corporations Act

It is illegal for anybody to deal in any securities of a body corporate (including Alliance), when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available (including information that has not been disclosed to the market in accordance with Alliance’s Continuous Disclosure Policy); and
- (b) might have a material effect on the price or value of those securities if it was generally available (“**Inside Information**”).

This prohibition extends to procuring another person to deal, and, in the case of securities of listed corporations, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so.

“**Dealing**” includes applying for, acquiring or disposing of or entering into an agreement to apply for, acquire or sell, securities, and “**deal**” has a corresponding meaning.

“**Securities**” include shares, derivatives and other financial products that can be traded on a financial market including financial products issued or created over Alliance securities by third parties and products which operate to limit economic risk in securities holdings in Alliance.

3. Confidentiality and Inside Information

A person in possession of Inside Information about Alliance has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person. Confidentiality is also stressed in relation to external advisers.

4. Dealing with security analysts, institutional investors and journalists

Alliance’s Market Disclosure and Communications Policy states that only authorised spokespersons should make public statements on behalf of Alliance. Employees who receive queries must not make any comment beyond saying they will refer the query to the Company’s authorised spokesperson and must promptly refer the query to Alliance’s authorised spokesperson.

5. Key Management Personnel restrictions on trading

Alliance’s Key Management Personnel and employees whose positions expose or are likely to expose them to Inside Information regarding Alliance, include:

- (a) the directors;
- (b) the MD/CEO of Alliance, and those persons reporting directly to the MD/CEO;
- (c) the executive assistants to the MD/CEO, the Chief Financial Officer, and the Company Secretary; and
- (d) any other employee who may have access to Inside Information in the course of their duties

(collectively called “Key Management Personnel (KMP’s)” for the purposes of this Policy) are to be subject to restrictions on trading in Alliance securities...

6. Associated parties

Each person to whom this Policy applies has a personal responsibility to ensure that his or her “**associated parties**” (being immediate family (including a spouse or de facto spouse or dependent), family Company or trust) complies with the same respective restrictions as apply to that person.

7. Restrictions on KMP's dealing in Alliance shares

KMPs and their associated parties are prohibited from dealing in Alliance securities during any prohibited period, which includes:

- (a) any "closed period";
- (b) any additional periods during which KMPs and their associated parties are prohibited from trading which includes any time KMPs are in possession of Inside Information; and
- (c) other periods determined by Alliance from time to time in order to meet its continuous disclosure obligations.

"Closed Period" means any period outside of the following permitted trading windows:

- (i) each period of 28 days immediately following each date upon which Alliance gives to the ASX its preliminary final statement;
- (ii) each period of 28 days immediately following each date upon which Alliance gives to the ASX its half-yearly and quarterly reports;
- (iii) each period of 28 days immediately following each date upon which Alliance holds its annual general meeting; and
- (iv) at any time during the application period for a prospectus (as defined in the *Corporations Act*) relating to equity securities issued by Alliance.

"Immediately following each date" means that KMPs and their associated parties cannot trade on the date the full year, half year or quarterly announcements are made or on the date the annual general meeting is held. The 28 day period in which trading is allowed will, in each instance, start on the date after the announcement or the annual general meeting.

If any KMP is unsure as to the precise start and finish dates of these trading windows they should consult the Company Secretary. For the avoidance of doubt, it is stressed that the existence of these trading windows does not permit KMPs to deal whilst in possession of Inside Information - this restriction applies at all times.

Each KMP and other Senior Manager will be provided with a copy of this Policy and, within 10 days of request, is required to return a copy of the Policy with the following signed acknowledgment:

[Date]

The Company Secretary

Alliance Resources Limited

I have been supplied with a copy of Alliance's securities trading policy. I have read and considered the contents of the policy.

I give an unqualified undertaking to comply with the letter and the spirit of the policy in all my dealings with or on behalf of Alliance.

Yours sincerely

[Name]"

8. Total embargo on “short-term” trading and “hedging” of securities

In order to prevent the unfair use of information, KMPs are prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six-month period.

Employees are not permitted to enter into arrangements, such as margin loans or arrangements involving Alliance’s securities as collateral to secure repayment of a loan, where the lender is granted a right to sell, or compel the sale of, the employee’s Alliance securities at any time when this policy may prohibit the employee from dealing with the securities. As a matter of good governance, KMPs are not permitted to enter into margin loans in respect of Alliance’s securities at any time.

The use by KMPs and employees of derivatives such as caps, collars, warrants or similar products in relation to Alliance’s securities could undermine the objectives of this policy, or distort the operation of performance hurdles applicable to vesting of securities granted to managers and employees as part of their remuneration, or result in public disclosure regarding holdings of securities being misleading. Accordingly, derivatives and other products are not permitted to be used in relation to any Alliance securities held by or on behalf of managers and employees, regardless of how or when those securities were acquired and whether those securities are vested or unvested.

9. Exemption to trade during embargo period

The Board may, in exceptional circumstances only, approve any KMP or his or her associated parties dealing in Alliance securities during an embargo period. An exemption will not be granted by the Board if it considers there is in existence confidential price sensitive information (Inside Information) that has not previously been released.

- 9.1 A KMP who is not in possession of Inside Information in relation to Alliance, may be given clearance to deal if he or she is in severe financial difficulty or there are other exceptional circumstances. Clearance may be given for such a person to sell (but not purchase) Alliance securities when he or she would otherwise be prohibited by this procedure from doing so. The determination of whether the person in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the Director designated for this purpose.
- 9.2 A person may be regarded as being in severe financial difficulty if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Alliance securities. A liability to pay tax would not normally constitute a severe financial difficulty unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell the Alliance securities or if there is some other overriding legal requirement for him or her to do so.
- 9.3 The following dealings are regarded as permitted dealings for the purposes of section 9:
- (a) 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 the 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;
 - (b) undertakings to accept, or the acceptance of, a takeover offer;
 - (c) dealing where the beneficial interest in the relevant Alliance security does not change;
 - (d) transfers of securities of the entity already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
 - (e) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;

- (f) where a restricted person is a trustee, trading in the securities of the entity by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (g) a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (h) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so;
- (i) the grant of securities by the Board under an employees' share scheme to employees other than KMPs may be permitted during a prohibited period if such grant could not reasonably be made at another time;
- (j) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
 - (i) the restricted person did not enter into the plan or amend the plan during a prohibited period;
 - (ii) the trading plan does not permit the restricted person to exercise any influence or discretion over how, when, or whether to trade; and
 - (iii) the entity's trading policy does not allow for the cancellation of a trading plan during a prohibited period other than in exceptional circumstances.

10. Board of directors' discretion

The Board of Alliance has an absolute discretion to place an embargo on KMPs and employees and their respective associated parties trading in Alliance's securities at any time.

11. Employees' Dealings in Alliance's Securities

Employees and their associated parties (as defined in section 6 of this Policy) must not deal in Alliance's securities when prohibited from doing so by the insider trading provisions outlined in section 2 of this Policy.

Employees, other than KMPs, who at any other time propose to deal in Alliance's securities must give prior notice to the Company Secretary of the intended dealing at least three days prior to such intended dealings.

12. Clearance rules in relation to dealing in Alliance securities

Directors, KMPs and employees with access to confidential price sensitive information are required to seek clearance from the Chairman (in the case of Directors) or the Company Secretary (for KMPs and employees) prior to initiating any dealings in securities, by themselves or their associated parties, at least three days prior to such intended dealings. This clearance request should be submitted by written notice to the Company Secretary of Alliance outlining:

- (a) name of security holder;
- (b) proposed date of dealing;
- (c) type of proposed transaction (purchase, sale, etc.); and
- (d) number of securities involved.

Clearance requests may be submitted and responded to by mail, email or facsimile.

A person who is given clearance to deal in accordance with section 12.1 must deal as soon as possible and in any event within two business days of clearance being received.

Following completion of the proposed dealing, the Director, KMP or employee in question must provide confirmation to the Company Secretary that the dealing has occurred, and details of the price per security.

13. Directors to notify ASX of shareholding

ASX Listing rule 3.19B requires Alliance to make arrangements with each director to ensure that the director discloses to Alliance all the information that Alliance requires for it to satisfy its obligations to advise ASX of notifiable interests of directors. Each director will enter into an agreement with Alliance in the form of that annexed to this Policy

14. Disclosure

In order to maintain transparency, this policy is to be disclosed in the annual Corporate Governance Statement and be made publicly available consistent with the disclosure policy.

15. Breaches of policy

Any breaches of this policy will be severely dealt with and may lead to summary termination.

This Securities Trading Policy was adopted by the Board on 29 November 2007.

Last reviewed by the Board on 10 December 2020

Annexure

Letter of Undertaking in relation to disclosure of interest in Alliance Resources Limited Securities

[Alliance letterhead]

[Date]

[Name / Address of director]

Dear [name]

Agreement to disclose your interests in Alliance Resources Limited

Alliance Resources Limited (Alliance) is required, under the Listing Rules, to disclose to the ASX details of the interests of its directors in securities of the company (Company Securities), and in contracts relevant to Company Securities. Contracts relevant to Company Securities are contracts to which you are a party or under which you are entitled to a benefit, and that confer a right to call for or deliver shares in or debentures of Alliance or its related bodies corporate. Alliance is also required to enter into an agreement with directors under which directors are obliged to provide the necessary information to it.

If you agree to the following terms, please sign and return the enclosed copy of this letter.

Binding agreement

In consideration of the mutual obligations contained in this agreement, you and Alliance agree to be bound by the terms of this agreement.

Initial disclosure

You will immediately provide the following information as at the date of your appointment as a director:

- (a) Details of all Company Securities registered in your name. These details include the number and class of the Company Securities.
- (b) Details of all Company Securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the *Corporations Act 2001* (Cth). These details include the number and class of the Company Securities, the name of the registered holder, the nature of your relevant interest and the circumstances giving rise to that interest.

Ongoing disclosure

You will provide the following information:

- (a) Details of changes in Company Securities registered in your name other than changes occurring as a result of corporate actions by Alliance. These details include the date of the change, the number and class of the Company Securities held before and after the change, the number of Company Securities acquired or disposed, and the nature of the change, for example an on-market transfer. You will also provide details of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the Company Securities the subject of the change.

- (b) Details of changes in Company Securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act. The details must include the date of the change, the number and class of the Company Securities held before and after the change, the number of Company Securities acquired or disposed, the nature of your relevant interest and the circumstances giving rise to that interest. You will also provide details of the consideration payable in connection with the change, or if a market consideration is not payable, the value of the Company Securities the subject of the change. If there are any circumstances that may affect the value of the Company Securities (eg in the case of options, the satisfaction of performance hurdles) you will also provide details of those circumstances.

You will provide the required information as soon as reasonably possible after the date of the change and in any event no later than two business days after the date of the change.

Final disclosure

You will provide the following information as at the date of ceasing to be a director:

- (a) Details of all Company Securities registered in your name. These details include the number and class of the Company Securities.
- (b) Details of all Company Securities not registered in your name but in which you have a relevant interest within the meaning of section 9 of the Corporations Act. These details include the number and class of the Company Securities, the name of the registered holder, the nature of your relevant interest and the circumstances giving rise to that interest.

You will provide the required information as soon as reasonably possible after the date of ceasing to be a director and in any event no later than two business days after the date of ceasing to be a director.

Agency

You authorise Alliance to give the information provided by you to ASX on your behalf and as your agent.

Company's obligations

Alliance will:

- (a) lodge with ASX any information provided by you to Alliance pursuant to this agreement within two business days of receipt of the information by Alliance; and
- (b) retain and allow you access to a hard copy of any notification given to ASX by Alliance pursuant to ASX Listing Rule 3.19A for a period of not less than seven years after the date on which such notification is given.

Yours faithfully

Company Secretary

Alliance Resources Limited

I agree to the terms of this undertaking

Dated:

[Director's signature]

[Print name]