



**DigitalCC Limited**

Innovative Digital Currency Solutions

Digital CC Limited ABN 59 009 575 035

ASX Code: DCC

Trading as digitalBTC

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## Digital CC Limited – Securities Trading Policy

### 1. PURPOSE

In order to preserve the reputation and integrity of Digital CC Limited (**Digital CC**), it is vital that when people who are associated with Digital CC and deal in Digital CC securities, that those dealings are not only fair, but are seen to be fair. When directors and employees deal in securities of Digital CC they must be sure that it does not reflect badly on them or Digital CC. 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 directors, employees, advisers, contractors and consultants (**Applicable Persons**) and their related parties (spouses, de facto spouses, parents and children, and entities controlled by Applicable Persons) (**Related Persons**) in Digital CC securities is that those persons should:

- never engage in short term trading of Digital CC securities (defined below);
- not deal in Digital CC securities while in possession of Inside Information (defined below);
- in the case of key management personnel, notify the company secretary of any intended transactions involving Digital CC securities; and
- in the case of key management personnel, ensure any of their buying or selling of Digital CC securities occurs outside of Prohibited Periods (defined below) unless prior written clearance is obtained in accordance with this policy.

### 2. OVERVIEW OF INSIDER TRADING PROVISIONS OF THE CORPORATIONS ACT

Under the Corporations Act 2001 (Cth) (**Corporations Act**), it is illegal for anybody to deal in the securities of a company (including Digital CC) when in possession of information that the person knows, or ought reasonably to know:

- a. is not generally available (including information that Digital CC has not disclosed to the market in accordance with Digital CC's 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.

Examples of information that may be Inside Information include:

- the status of major regulatory approvals sought by Digital CC;
- the outcome of studies related to Digital CC's assets;
- drilling results;
- the financial performance of Digital CC;
- Digital CC's capital structure, such as a proposed dividend or issue of securities;
- actual or proposed major acquisitions and disposals of Digital CC's assets;
- an actual or proposed takeover or merger;
- major claims against Digital CC; or
- entering into or terminating a major contract.

For the purpose of this policy:

- **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 Digital CC securities by third parties and products which operate to limit economic risk in securities holdings in Digital CC; and
- **key management personnel** means a director, the managing director, the company secretary, employees with the title "Manager" and any other person from time to time notified by the Board.

### 3. CONFIDENTIALITY AND INSIDE INFORMATION

While in possession of Inside Information about Digital CC, Applicable Persons must not:

- deal in the Company's securities; or
- procure, encourage, incite or induce any other person to deal in the Company's securities.

While it is acknowledged that Applicable Persons may have no control over Related Persons, dealings in Digital CC securities by Related Persons has the potential to cause reputational damage to Digital CC. As a result, Applicable Persons are encouraged to counsel their Related Persons to comply with the restrictions set out above.

### 4. DEALING WITH SECURITY ANALYSTS, INSTITUTIONAL INVESTORS AND JOURNALISTS

Applicable Persons may be exposed to persons outside Digital CC such as security analysts, institutional investors and journalists. It is important that Applicable Persons are aware that selective disclosure of non-public information may result in a breach of the insider trading rules. Thus, if a report containing material non-public information concerning Digital CC was communicated only to local or trade journalists and if full public disclosure of the information was not made at the same time, it is possible that this may give rise to breach of the Corporations Act.

It is important to stress that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed. For example, the confirmation of an analyst's educated guess about a situation not known to the general public may be just as much a violation as the direct conveyance of information to an analyst. This is clearly the case even if the analyst's case is based upon his or her independent and creative analysis of publicly available information.

Expressing subjective attitudes about Digital CC's performance or by calling attention to disparate pieces of information not available as an aggregate to the general public may also be a breach of this policy or the Corporations Act. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with an analyst, journalist or other outsider, material non-public information concerning Digital CC is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until Digital CC has made full public disclosure of that information. The company secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information. In view of the pitfalls inherent in responding to analysts' projections and questions regarding previously undisclosed operating results or other developments, no comment at all should be made on these matters except to correct serious factual errors in situations in which the facts are in the public domain.

## 5. RESTRICTION ON TRADING

There is an overriding prohibition on dealing in Digital CC securities when a person is in possession of Inside Information.

In addition, key management personnel are at all times prohibited from dealing in Digital CC securities for:

- each period of one week before and one business day after each date upon which Digital CC gives to the ASX its quarterly, half yearly or annual report.
- two weeks before lodgement and during the period that a disclosure document including a prospectus is open for applications except to the extent that a director or employee is applying for securities pursuant to that disclosure document. (**Closed Periods**).

Prohibited Period means (i) any Closed Period; or (ii) additional periods which are imposed by Digital CC when senior management becomes aware of a matter that is considered to be price sensitive (or which the Chairman or the Managing Director deem to be price sensitive).

The Board may seek information from key management personnel about their level of ownership of Digital CC securities and about any encumbrances granted or margin loans taken out in respect of those securities. The Board may also require them to keep the company secretary informed of changes to information provided.

## 6. SHORT-TERM TRADING

In order to prevent the unfair use of information, key management personnel and their Related Persons are generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a three month period.

The Board may on application exempt key management personnel or their Related Persons from this prohibition in exceptional circumstances (see **section 8**).

## **7. CERTAIN DEALINGS EXCLUDED FROM POLICY**

The following dealings in Digital CC securities involving key management personnel (and/or their Related Persons) are excluded from the operation of this policy:

- being issued securities in Digital CC under:
  - a rights issue;
  - a dividend reinvestment plan;
  - a share purchase plan; or
  - an employee option plan, employee share acquisition scheme, executive share acquisition plan or similar arrangement;
- disposing of securities:
  - under a buy back or capital reduction made available to most or all Digital CC shareholders; or
  - as a result of a secured lender exercising its right under a margin lending arrangement;
- disposing of entitlements under a renounceable pro rata rights issue;
- accepting (or undertaking to accept) an offer under a takeover bid, disposing of securities under a scheme of arrangement or agreeing to cancel options over unissued shares in conjunction with a change of control transaction;
- transferring securities to a superannuation fund or other saving scheme in which the Applicable Person or Related Person is a beneficiary;
- investing in, or trading in units of, a fund or other scheme (other than a scheme investing only in Digital CC securities) where the assets of the fund or other scheme are invested at the discretion of a third party; and
- entering into a transaction where the beneficial interest in Digital CC securities will not change.

## **8. EXEMPTION TO DEAL DURING A PROHIBITED PERIOD**

### **8.1 KEY MANAGEMENT PERSONNEL**

The Board may, in exceptional circumstances only, give prior written clearance to any member of key management personnel or his/her Related Persons to deal in Digital CC securities during a Prohibited Period.

### **8.2 THE BOARD MAY PROVIDE A WRITTEN CLEARANCE BY:**

- resolving to approve the clearance at a Board meeting and authorising a person (such as the company secretary) to provide the relevant member of key management personnel with written details of the confirmation, including any terms approved by the Board;
- each director signing a written resolution approving the clearance on the same terms; or
- each director confirming by email that they consent to the clearance on the same terms.

### **8.3 EXCEPTIONAL CIRCUMSTANCES**

Examples of exceptional circumstances include, but are not limited to:

- severe financial hardship; or
- court orders requiring the sale of the securities in question.

### **8.4 REQUEST FOR PRIOR CLEARANCE**

A request for prior clearance must be made by the relevant key management personnel and provided to the company secretary for distribution to the Board. If the relevant key management personnel (and/or his/her Related Persons) is granted clearance, the relevant key management personnel must comply (or procure that his/her Related Persons comply) with any conditions imposed by the Board or relevant Digital CC officers (such as the effective period of the clearance).

Prior clearance will not be granted if the Board or relevant Digital CC officers (as applicable) consider that Digital CC is currently in possession of Inside Information.

All key management personnel and Related Persons that are granted prior clearance must promptly provide the company secretary with full details of any dealing made in reliance on the clearance.

## **9. MARGIN LENDING**

Key management personnel should ensure that when arranging finance either for themselves or through their Related Persons, where Digital CC securities are provided as collateral, such obligations do not conflict with their obligations under this policy. In particular, key management personnel should ensure that the terms of any margin lending arrangements do not require dealings in Digital CC securities at a time when key management personnel are prohibited from dealing in Digital CC securities.

Within ten business days of a key management personnel or a Related Person entering into a margin lending arrangement involving Digital CC securities, the relevant key management personnel must provide the company secretary with the following information:

- the number of Digital CC securities that are subject to such arrangement;
- the trigger events for disposal of such securities; and
- any other information that may be relevant to Digital CC's continuous disclosure obligations, including the ability of the key management personnel or the Related Person (as applicable) to meet any margin call.

If a key management personnel has provided details of any margin lending arrangements, it must keep the company secretary informed of any change in circumstances that may be relevant to Digital CC's continuous disclosure obligations.

## **10. DERIVATIVES**

Key management personnel may only enter into transactions involving derivatives (as defined in section 761D of the Corporations Act) (**Derivatives**) in respect of Digital CC securities (including shares, performance options and performance rights) if the following criteria are satisfied:

- the relevant securities are fully vested;
- the Derivative has a maturity date that falls outside a Prohibited Period;

- Digital CC is not a counterparty to the Derivative;
- the Derivative is used for the purposes of protecting the value of an asset supporting a loan taken out to fund the exercise price of options granted by Digital CC or to protect the value of the security in respect of tax liabilities that may become due and payable; and
- the Derivative transaction complies with all applicable laws.

The notification rules in **section 11** of this policy apply to the use of Derivatives. At the time of making a notification, the relevant member of key management personnel must also provide evidence that the criteria set out above have been satisfied.

## **11. NOTIFICATION RULES IN RELATION TO DEALING IN DIGITAL CC SECURITIES**

### **11.1 KEY MANAGEMENT PERSONNEL**

In addition to complying with any requirement under **section 8.1** to obtain prior written clearance, key management personnel are required to notify Digital CC of **all intended dealings** in Digital CC securities by themselves or, if they are aware, their Related Persons, two business days before such intended dealings. This should be done by written notice to the company secretary outlining:

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

Following completion of the proposed dealing, the relevant member of key management personnel must provide confirmation to the company secretary that the dealing has occurred, and details of the price per security, within two business days of the dealing.

### **11.2 DIRECTORS**

In addition to the requirements set out in **section 11.1**, within three business days of:

- the director's appointment;
- a change to the director's interest in Digital CC securities; or
- the effective date of the director's resignation as a director of Digital CC,

the director must either complete, or provide sufficient information for the company secretary to complete, an Appendix 3X, 3Y or 3Z (as applicable) to be filed with the ASX for the purposes of section 205G of the Corporations Act and ASX Listing Rule 3.19A.

## **12. BREACHES OF POLICY**

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

All key management personnel will be provided with a copy of this policy and within ten business days are required to provide the company secretary with a signed acknowledgement in the form attached in the annexure.

**ANNEXURE – FORM OF ACKNOWLEDGEMENT**

To: Digital CC Limited (Digital CC)  
Attention: Company Secretary

**Digital CC Limited – Securities Trading Policy**

I have been supplied with a copy of Digital CC’s securities trading policy.

I have read and considered the contents of the policy.

I give my unqualified undertaking to be bound by and comply with the letter and the spirit of the policy in all my dealings with or on behalf of Digital CC.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_

