



**FERRUM CRESCENT LIMITED SHARE DEALING CODE**

## Restrictions on dealing in securities

The freedom of the directors and certain employees of Ferrum Crescent Limited (the “**Company**”) to deal in the ordinary shares and other securities of the Company is restricted by the following:

- 1 the requirements of the ASX Listing Rules and rule 21 of the AIM Rules;
- 2 the requirements of the UK Listing Authority as set out in the Model Code for Securities Dealings (the “**Model Code**”) contained in the Appendix to Chapter 9 of the Listing Rules;
- 3 the provisions relating to insider trading in the *Corporations Act 2001 (Commonwealth of Australia)* and the provisions relating to insider dealing in Part V of the *Criminal Justice Act 1993 (United Kingdom)*; and
- 4 the provisions relating to market abuse in the *Financial Services and Markets Act 2000 (United Kingdom)* (“**FSMA**”).

Each of these is considered in turn.

*The defined terms used in this document can be found in Schedule 1.*

### 1 ASX Listing Rules and AIM Rule 21 and the Model Code

- 1.1 As the Company’s shares are now admitted to trading on the Australian Securities Exchange and AIM, the ASX Listing Rules (in particular, Chapter 12) and AIM Rule 21 apply to restrict the ability of its directors and certain employees to deal in securities of the company.
- 1.2 In addition, the Company has adopted the Model Code. The Model Code is applicable to all companies which are listed on the Official List of the UK Listing Authority and although this does not strictly apply to the Company, the rules of the Model Code have been adopted in the interests of good practice.
- 1.3 The combined effect of the ASX Listing Rules, AIM Rule 21 and the Model Code is that a Restricted Person must not Deal in the Securities of the Company:
  - 1.3.1 during a Close Period; or
  - 1.3.2 at any time when either the Company or the director or employee concerned is in possession of Inside Information; and
  - 1.3.3 at any time when it has become reasonably probable that the information referred to in 1.3.2 above will be required by the ASX Listing Rules or the AIM Rules to be notified to the Australian Securities Exchange or, as the case may be, the London Stock Exchange plc via an RIS.
- 1.4 In any event, a Restricted Person must not deal in any securities of the Company without first obtaining clearance from one of the compliance officers. The compliance officer must obtain clearance either from the Board as a whole or from another designated director. A written record must be kept of any clearances sought and of any granted. **(You must notify one of the compliance officers of your intention to deal in any securities, in writing, using the form contained in Schedule 2.)**
- 1.5 A Restricted Person must, so far as is consistent with his duties of confidentiality, seek to prohibit dealings on his behalf or by Connected Persons.
- 1.6 Clearance must, except in exceptional circumstances, be refused if the Company is in a Prohibited Dealing Period. “**Prohibited Dealing Period**” means:
  - 1.6.1 any Close Period; or
  - 1.6.2 any period when there exists any matter which constitutes Inside Information in relation to the Company or the group;

- 1.6.3 dealings on considerations of a short term nature (an investment with a maturity of one year or less will always be considered to be of a short term nature); or
- 1.6.4 any period where the person giving clearance has any other reason to believe that the dealing would breach the Model Code.

## **1.7 Clearance to deal**

### **1.7.1 Obtaining clearance:**

- (a) A director (other than the Chairman) or company secretary or any of their Connected Persons must not deal in any Securities of the Company without first notifying the Chairman (or a director designated by the board for this purpose (the “**Designated Director**”)) and receiving clearance to deal from him;
- (b) The Chairman and his Connected Persons must not deal in any Securities of the Company without first notifying the Chief Executive Officer or, where he is not available, his delegate and receiving clearance to deal from him;
- (c) Persons Discharging Managerial Responsibilities (who are not directors) and their Connected Persons must not deal in any Securities of the Company without first notifying the Chairman or the Designated Director and receiving clearance to deal from him; and
- (d) Employee Insiders and their Connected Persons must not deal in any Securities of the Company without first notifying the Chairman or the Designated Director and receiving clearance to deal from him.

1.7.2 A response to a request for clearance to deal will be given to the relevant Restricted Person or Connected Person within five business days of the request being made.

1.7.3 The Company will maintain a record of the response to any dealing request made by a Restricted Person or Connected Person and of any clearance given. A copy of the response and clearance (if any) will be given to the Restricted Person or Connected Person concerned.

1.7.4 A Restricted Person or Connected Person who is given clearance to deal must deal as soon as possible and in any event within two business days of clearance being received.

*Without prejudice to the foregoing, approval of dealing is at all times at the discretion of the Chairman and/or the Designated Director who have the authority of the Board to refuse giving clearance to deal as they see fit and are under no obligation to provide the reasons for their refusal.*

## **1.8 Dealings permitted during a Prohibited Dealing Period**

### **1.8.1 Dealing in exceptional circumstances**

- (a) A Restricted Person or Connected Person, who is not in possession of Inside Information in relation to the Company, may be given clearance to deal if he is in severe financial difficulty or there are other exceptional circumstances. Clearance may be given for this person to sell (but not purchase) Securities of the Company when he would otherwise be prohibited by the Model Code 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 compliance officers.
- (b) A person may be in severe financial difficulty if he has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Securities of the Company. A liability of this person to pay tax would not normally constitute 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 Securities of the Company or there is some other overriding legal requirement for him to do so.

- (c) The Australian Securities Exchange and either the Financial Services Authority or the London Stock Exchange will be consulted at an early stage regarding any application by a Restricted Person or Connected Person to deal in exceptional circumstances.

### **1.8.2 Awards of securities and options**

Provided that a derogation from AIM Rule 21 "Restrictions on deals" is first sought and obtained from AIM Regulation:

- (a) The issue of shares or the grant of options by the board of directors under an employees' share or option scheme to individuals who are not Restricted Persons may be permitted during a Prohibited Dealing Period if the issue of shares or grant of options could not reasonably be made at another time and failure to make the issue or grant would be likely to indicate that the Company was in a Prohibited Dealing Period.
- (b) The award by the Company of Securities, the grant of options and the grant of rights (or other interests) to acquire Securities of the Company to Restricted Persons is permitted in a Prohibited Dealing Period if:
  - (i) the award or grant is made under the terms of an employees' share or option scheme and the scheme was not introduced or amended during the relevant Prohibited Period; and
  - (ii) either:
    - (A) the terms of the employees' share or option scheme set out the timing of the award or grant and these terms have either previously been approved by shareholders or summarised or described in a document sent to shareholders; or
    - (B) the timing of the award or grant is in accordance with the timing of previous awards or grants under the scheme; and
  - (iii) the terms of the employees' share or option scheme set out the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated and do not allow the exercise of discretion; and
  - (iv) the failure to make the award or grant would be likely to indicate that the Company is in a Prohibited Dealing Period.

### **1.8.3 Exercise of options**

Provided that a derogation from AIM Rule 21 "Restrictions on deals" is first sought and obtained from AIM Regulation:

- (a) Where the Company has been in an exceptionally long Prohibited Dealing Period or the Company has had a number of consecutive Prohibited Dealing Periods, clearance may be given to allow the exercise of an option or right under an employees' or option share scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or conversion of the security, falls during a Prohibited Dealing Period and the Restricted Person could not reasonably have been expected to exercise it at a time when he was free to deal.
- (b) Where the exercise or conversion is permitted under the above paragraph, clearance may not be given for the sale of the Securities of the Company acquired by this exercise or conversion including the sale of sufficient Securities of the Company to fund the costs of the exercise or conversion and/or any tax liability arising from the exercise or conversion unless a binding undertaking to do so was entered into when the Company was not in a Prohibited Dealing Period.

### **1.8.4 Qualification shares**

- (a) Clearance may be given to allow a director to acquire qualification shares where, under the Company's constitution, the final date for acquiring the qualification shares falls during a Prohibited Dealing Period and the director could not reasonably have been expected to acquire those shares at another time.

#### **1.8.5 Saving schemes or dividend reinvestment plan**

- (a) A Restricted Person may enter into a scheme under which only the Securities of the Company are purchased pursuant to a regular standing order or direct debit or by regular deduction from the person's salary, or where the securities are acquired by way of a standing election to reinvest dividends or other distributions received, or are acquired as part payment of the person's remuneration without regard to the provisions of the Model Code, if the following provisions are complied with:
  - (i) the Restricted Person does not enter into the scheme during a Prohibited Dealing Period, unless the scheme involves the part payment of remuneration in the form of Securities of the Company and is entered into upon the commencement of the person's employment or in the case of a non-executive director his appointment to the board;
  - (ii) the Restricted Person does not carry out the purchase of the Securities of the Company under the scheme during a Prohibited Dealing Period, unless the Restricted Person entered into the scheme at a time when the Company was not in a Prohibited Dealing Period and that person is irrevocably bound under the terms of the scheme to carry out a purchase of Securities of the Company (which may include the first purchase under the scheme) at a fixed point in time which falls in a Prohibited Dealing Period;
  - (iii) the Restricted Person does not cancel or vary the terms of his participation, or carry out sales of Securities of the Company within the scheme during a Prohibited Dealing Period; and
  - (iv) before entering into the scheme, cancelling the scheme or varying the terms of his participation or carrying out sales of the Securities of the Company within the scheme, the Restricted Person obtains clearance in accordance with this Notice.

#### **1.8.6 Acting as a trustee**

- (a) Where a Restricted Person is acting as a trustee, dealing in the Securities of the Company by that trust is permitted during a Prohibited Dealing Period where:
  - (i) the Restricted Person is not a beneficiary of the trust; and
  - (ii) the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the Restricted Person.
- (b) The other trustees or investment managers acting on behalf of the trustees can be assumed to have acted independently where the decision to deal:
  - (i) was taken without consultation with, or other involvement of, the Restricted Person; or
  - (ii) was delegated to a committee of which the Restricted Person is not a member.

#### **1.8.7 Dealing by Connected Persons and investment managers**

- (a) A Person Discharging Managerial Responsibilities must take reasonable steps to prevent any dealings by or on behalf of any Connected Person of his in any Securities of the Company on considerations of a short term nature.
- (b) A Person Discharging Managerial Responsibilities must seek to prohibit any dealings in the Securities of the Company during a Close Period by or on behalf of any Connected Persons of his or by an investment manager acting on his behalf or on behalf of any person connected with him where either he or any person connected has funds under management with that

investment fund manager, whether or not discretionary (save as provided by paragraphs 1.8.5 and 1.8.6).

- (c) A Person Discharging Managerial Responsibilities must advise all of his Connected Persons and investment managers acting on his behalf:
- (i) of the name of the Company within which he is a Person Discharging Managerial Responsibilities;
  - (ii) of the Close Periods during which they cannot deal in the Securities of the Company; and
  - (iii) that they must advise the Company immediately after they have dealt in Securities of the Company.

## 2 Insider trading or insider dealing

2.1 This section of the note applies to everyone.

2.2 The *Corporations Act 2001 (Commonwealth of Australia)* and the Insider Dealing legislation in Part V of the *Criminal Justice Act 1993 (United Kingdom)* (the “CJA”) make it an offence for a person who has information as an insider to deal in shares that are price-affected shares in relation to the information. **If employees are in any doubt regarding their personal position, they should speak to one of the compliance officers.**

2.3 It is also an offence for a person to (1) encourage another person to deal in shares that are (whether or not the other person knows it) price-affected shares in relation to the information or to (2) disclose the information, otherwise than in the proper performance of the functions of his employment, office or profession, to another person.

2.4 Inside information, for the purposes of the CJA, is information which:

- 2.4.1 relates to particular shares or other securities or to a particular issuer or issuers, and not to shares or other securities or issuers generally;
- 2.4.2 is specific or precise;
- 2.4.3 has not been made public; and
- 2.4.4 if it were made public would be likely to have a significant effect on the price of any shares.

2.5 Information is held “as an insider” only, if the information is and the person in question knows it is inside information and it was acquired, knowingly, from an inside source. Information is obtained from an inside source if (1) the person in question has it through being a director, shareholder or employee of the Company or through having access to it by virtue of his employment office or profession or (2) the direct or indirect source of his information is a person who is a director, shareholder or employee of the Company.

2.6 The shares of the Company (or any other shares) will be “price-affected shares” if the inside information would, if made public, be likely to have a significant effect on the value of the shares.

2.7 “Dealing” in this sense includes acquiring or disposing of shares or other securities (whether as principal or agent) or procuring, directly or indirectly, an acquisition or disposal of shares or other securities by any other person. It also includes agreeing to acquire or dispose of shares.

2.8 The scope of the insider dealing provisions extends to catch all off-market deals involving a professional intermediary. In addition, a person who has inside information about a company will be an insider in relation to any other company whose securities or business prospects are affected by the information.

2.9 Offences under the Corporations Act 2001 and offences under Part V of the Criminal Justice Act 1993 carry criminal sanctions which include fines and/or imprisonment.

### 3 Market abuse

- 3.1 The following constitutes the bare elements of the market abuse regime. More detailed advice is available from the Company's compliance officers on request. The regime applies to everyone.
- 3.2 Behaviour (whether action or inaction) will constitute market abuse if it satisfies one or more of the following conditions:
- 3.2.1 it involves dealing or attempting to deal on the basis of inside information; or
  - 3.2.2 it involves the improper disclosure of inside information; or
  - 3.2.3 it is likely to give a false or misleading impression; or
  - 3.2.4 it is likely to distort the market.
- 3.3 As well as the primary offence, it is also an offence to require or encourage someone else to engage in behaviour which, if engaged in by the person requiring or encouraging, would have amounted to market abuse.
- 3.4 The Financial Services Authority (the "FSA") has published guidance on what constitutes market abuse and what is not considered to be market abuse. In particular, certain provisions of the Code of Market Conduct (marked with a "C") are to be regarded as "safe harbours", and conduct that falls within one of these provisions is not market abuse. Conduct that complies with other rules published by the FSA, for example the Listing Rules, is unlikely to be considered market abuse.
- 3.5 Examples of conduct which would be considered market abuse include (but are not limited to):
- 3.5.1 acting on information which is due to be announced to the market via an RIS (e.g. results, health warnings, interim dividends etc) before it is announced;
  - 3.5.2 engaging in artificial transactions for example simultaneous sales and purchases which are designed to affect the price of the shares;
  - 3.5.3 posting information on an internet bulletin board implying that a company will be subject to a takeover offer in order to increase the price artificially; and
  - 3.5.4 instructing or encouraging a third party to deal in situations where it would be market abuse for the employee to do so (e.g. "leaking" good news to friends).
- 3.6 Market abuse is not a criminal offence, and it operates in parallel with the insider dealing provisions referred to in paragraph 2 above. The FSA has the power either to prosecute under the criminal regime, or to bring an action for market abuse. Sanctions for market abuse include a full investigation, public reprimand and unlimited fines. It should be noted that there is a further criminal offence under FSMA, dealing with misleading statements and practices.

## Schedule 1

### Definitions

**“ASX Listing Rules”** means the listing rules of the Australian Securities Exchange;

**“Close Period”** means:

- (i) the period of 60 days preceding the publication of the annual results of the Company or, if shorter, the period from its financial year end to the time of publication until 24 hours after the publication; and
- (ii) if the Company reports on a half-yearly basis, the period of 60 days immediately preceding the publication of the half-yearly report or, if shorter, the period from the end of the relevant financial period up to and including 24 hours after the time of the publication; or
- (iii) if the Company reports on a quarterly basis, the period of 30 days immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period up to and including 24 hours after the time of the announcement;
- (iv) any other period when the Company is in possession of unpublished price sensitive information.

**“Connected Person”** includes, but is not limited to:

- (i) the spouse, civil partner, infant children (including illegitimate children) or step-children of a director or relevant employee, or trustee of a trust of which he or they are beneficiaries;
- (ii) a company in which a director or relevant employee holds 20% of the share capital or 20% of the voting rights (either directly or indirectly, or through other connected persons) or the director or relevant employee is a trustee of a trust of which that company is a beneficiary;
- (iv) a person who is in a partnership with a director or a relevant employee or their Connected Person, acting in that capacity;
- (v) a relative who lives with the director or relevant employee; and
- (vi) a company in which the director, relevant employee or their Connected Person is a director or a senior executive who has the power to make management decisions affecting the future development of and business prospects of the company.

Appropriate guidance should be sought from the compliance officers to determine if a person will be considered to be a Connected Person for the purposes of this note.

**“Dealing”** includes:

- (i) any acquisition or disposal of, or agreement to acquire or dispose of any of the Securities of the Company, or in any related investment (for example, a derivative or spread bet);
- (ii) entering into a contract (including a contract for difference) the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the price of any of the Securities of the Company;
- (iii) the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put or both) to acquire or dispose of any of the Securities of the Company;
- (iv) entering into, or terminating, assigning or novating any stock lending agreement in respect of the Securities of the Company;
- (v) using as security, or otherwise granting a charge, lien or other encumbrance over the Securities of the Company;

- (vi) any transaction, including a transfer for nil consideration, or the exercise of any power or discretion effecting a change of ownership of a beneficial interest in the Securities of the Company; or
- (vii) any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any Securities of the Company;

**“Employee Insiders”** means an employee of the Company, its parent undertaking or any member of the group who has access to Inside Information. Some employees are likely to be Employee Insiders at all times. However the list is not necessarily static and will change depending on what is happening to the Company at any given time. The list of relevant Employee Insiders will not be drafted by reference to the employees’ employment status but by the level of knowledge of Inside Information which that person possesses.

**“Inside Information”** means information of a specific and precise nature which:

- (i) is not generally available;
- (ii) relates, directly or indirectly, to the Company or the group or the Securities of the Company; and
- (iii) would, if generally available, be likely to have a significant or material effect on the price of the Securities of the Company (i.e., information which a reasonable investor would be likely to use as part of his investment decisions);

**“Listing Rules”** or **“LR”** means the listing rules of the UK Listing Authority;

**“Persons Discharging Managerial Responsibilities”** means directors and senior executives who have regular access to Inside Information relating, directly or indirectly, to the Company and who have the power to make managerial decisions affecting the future development and business prospects of the Company: Without limitation, the term includes any person who would be considered to be a member of “key management personnel” for the purposes of the ASX Listing Rules;

**“Restricted Person”** means Persons Discharging Managerial Responsibilities and Employee Insiders;

**“RIS”** means regulatory information service: Where the context requires, the term includes an announcement made to the Australian Securities Exchange;

**“Securities”** means anything which has been, or may be, admitted to the Australian Securities Exchange or AIM; and

**“Securities of the Company”** means any publicly traded or quoted Securities of the Company or any member of its group or any securities that are convertible into publicly traded or quoted Securities.

## Schedule 2

### MEMORANDUM

To: The compliance officers

From: .....

Position: .....

I notify you of the following proposed dealing:

(A) Number and class of shares: .....

(B) Nature of transaction  
(e.g. buying/selling/transfer/exercising option): .....

(C) If the transaction is to be carried out by someone other than the above-named person please give details (e.g. spouse/child/trust/investment manager)

.....

Other information: .....

.....

I declare that the information in this form is true and that I have read the notice on restrictions on dealing in securities (the "Notice"). I will promptly inform the compliance officers of any change in the information in this form. If clearance is provided, I will abide by the terms of the Notice in the conduct of that dealing.

I await confirmation that the above transaction can be carried out.

Signed: .....

Date: .....

Request approved **provided the dealing is executed within two business days of the date shown below, unless this approval is withdrawn earlier.**

Signed: .....

Name: .....

Position: .....

Date: .....