



Securities Trading Policy

Atlas Iron Limited

1 INTRODUCTION

The purpose of this 'Securities Trading Policy' (**Policy**) is to:

- ensure Atlas Iron Limited (**Atlas**) complies with its obligations under the ASX Listing Rules in relation to securities trading policies;
- summarise the type of conduct in relation to dealings in securities that is prohibited under the *Corporations Act 2001* (Cth) (**Corporations Act**), which is applicable to all officers, employees and contractors of Atlas and its related bodies corporate (the **Group**); and
- establish appropriate procedures relating to buying and selling securities that provides protection to Atlas, and its officers, employees and contractors against the misuse of unpublished information which could materially affect the value of securities.

Atlas aims to achieve the highest possible standards of corporate conduct and governance. Accordingly, the Board of Directors considers compliance with this Policy is essential to ensure the highest standards of conduct are being met by all officers, employees and contractors of Atlas. Atlas also wishes to ensure that any perception of employees dealing in securities (as that term is defined below), when they should not do so, is avoided.

Any non-compliance with this Policy will be regarded as serious misconduct which may entitle Atlas to terminate the employment of any employee found to be in breach of this Policy.

2 POLICY

2.1 Persons to whom this Policy apply

This Policy apply to:

- directors of, and contractors to, any member of the Group; and
- employees of any member of the Group,

and their associates (collectively **Employees**).

2.2 The Policy

(a) Window Periods for Employees

Employees, other than directors or senior management, may trade in Atlas securities:

- in the period of 30 days following the Blackout Period (described in 2.2(c) of this Policy) with respect to:
 - the announcement of half-yearly results;
 - the announcement of annual results; or
 - the holding of the Annual General Meeting; and
- in the period during which Atlas has a current prospectus or other form of disclosure document on issue pursuant to which persons may subscribe for Atlas securities that are to be quoted on ASX,

each known as a **Window Period**;

EXCEPT where the Employee is in possession of price sensitive information or where Atlas is in possession of price sensitive information and Atlas has, during a Window Period set out above, notified the Employee they may not trade in Atlas securities during all or part of any such period.

"Price sensitive information" is information which is not generally available and, if it was generally available, would be likely to have a material effect on the price or value of Atlas securities. The information may be non-financial in nature (for example current negotiations in relation to a contract). This is dealt with in greater detail below.

If you are not sure whether you are able to trade in Atlas securities during a Window Period, please consult with the Managing Director or the Company Secretary. It is intended that a request will be answered within 48 hours. Electronic clearance via email is acceptable.

(b) Trading during other periods by Employees

Outside of a Window Period, all Employees, other than directors or senior management, must receive clearance for any proposed dealing in Atlas securities by informing and receiving approval in writing from the Company Secretary prior to undertaking a transaction. Such Employees seeking to deal in Atlas securities must confirm to the Company Secretary they are not in possession of price sensitive inside information. Electronic clearance via email is acceptable.

It is intended a request will be answered within 48 hours.

If approval is given and the Employee still wishes to deal in Atlas securities, the Employee must ordinarily deal within five business days after receiving approval (unless otherwise approved by the Company Secretary). Further notification and approval will be required for dealing after the relevant approval period if it occurs outside a Window Period.

Where an Employee, other than directors or senior management, has been granted approval to deal in Atlas securities outside of a Window Period, they must notify the Company Secretary within five business days of the outcome of the dealing.

(c) Blackout periods

The periods (each known as a **Blackout Period**) in which Atlas' Employees, including directors and senior management, are prohibited from trading in Atlas securities on the ASX are as follows:

- the period between the Company's half year end and 24 hours immediately following the announcement of half-yearly results or if the Employee received unaudited information about the probable financial position **prior** to the half year end, the Blackout Period commences from the date that information is received;
- the period between the Company's year-end and 24 hours immediately following the announcement of annual results or if the Employee received unaudited information about the probable financial position **prior** to the year end, the Blackout Period commences from the date that information is received;
- the period between the end of each quarter of the financial year (31 March, 30 June, 30 September and 31 December) and 24

hours immediately following the announcement of the Company's quarterly report required by ASX Listing Rule 5.1 in respect of that quarter; and

- any additional periods when Atlas' Employees are prohibited from trading, which are imposed by Atlas from time to time when the Board is considering matters which are subject to Listing Rule 3.1A.

In exceptional circumstances, such as financial hardship or compliance with a court order, the Board, in its absolute discretion, may approve the trading of Atlas securities held by an Employee during blackout periods. Electronic clearance from the Board via email is acceptable.

(d) Directors and senior management

Outside of the blackout periods, directors and senior management must receive clearance in writing for any proposed dealing in Atlas securities as follows:

- a **director** or any member of senior management of Atlas must inform and receive written approval from the Chairman prior to undertaking a transaction (electronic clearance via email is acceptable); and
- the **Chairman** must obtain written approval from the Board or a director nominated by the Board, prior to undertaking a transaction.

It is intended such a request will be answered within 48 hours.

If written approval is given and the director or senior manager still wishes to deal in Atlas securities, he or she must ordinarily deal within five business days after receiving such approval (unless otherwise approved by the Chairman or the Board, as applicable). Further notification and written approval will be required if the proposed dealing does not occur within the relevant approval period.

Where a director or senior manager has been granted approval to deal in Atlas securities outside of a blackout period, they must notify the Company Secretary within two business days of the outcome of the dealing.

Without prior approval, directors and senior management should not enter into agreements that provide lenders with rights over their interests in Atlas securities (such as the disposal of some or all of those Atlas securities) that is the result of a secured lender exercising their rights (for example, under a margin lending arrangement). Before entering into such arrangements, directors and senior management must receive clearance in writing as if they were dealing in Atlas securities.

Directors and senior management are deemed for the purposes of this Policy to be in possession of price sensitive information at all times and, unless they receive clearance in accordance with this paragraph 2.2(c), may not trade in Atlas securities.

For the avoidance of doubt **senior management** means all key management personnel of Atlas (as defined in Accounting Standard AASB 124 Related Party Disclosure)..

(e) Short Term Dealing

Employees may not deal in Atlas securities on a “short-swing” basis, except in circumstances of special hardship, with the Chairman’s approval. That is, Employees may not, for example, buy and then sell Atlas securities within a three-month period. In addition, Employees may not enter into any other short term dealings (for example, forward contracts) except with the prior approval of the Chairman (electronic clearance via email is acceptable).

(f) Equity plans

Employees who are participants in any equity-based incentive plan established by Atlas must not enter into transactions (whether through the use of derivatives or otherwise) that effectively operate to limit the economic risk of the securities or rights allocated under the plans, during the period prior to vesting or the end of any restrictions (including forfeiture restrictions) imposed on the securities or rights or otherwise prior to the date of exercise of any securities (or options).

(g) Options

Options may be exercised at any time in accordance with their terms of issue, except where the Employee is in possession of price sensitive information.

Any dealings in Atlas options must only occur in accordance with this Policy.

In addition, any dealings in Atlas securities acquired upon exercise of options must only occur in accordance with this Policy.

The Board, at its discretion, may approve the exercise (but not the sale of the Atlas securities allotted as a result of such 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 director or senior manager could not reasonably have been expected to exercise it at a time when free to do so.

(h) Securities in other companies

While in general you are free to deal in securities in other listed companies, the prohibited conduct under the Corporations Act includes dealings in securities of Atlas as well as of other listed companies with which Atlas may be dealing (such as Atlas’ customers or joint venture partners) where an Employee possesses “inside information” in relation to that other company.

That is, if you are aware of information that is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security of a company, you should not deal in those securities. For example, where you are aware Atlas is about to sign a major agreement with another company (and that information has not yet been publicly disclosed), you should not deal in the securities of either Atlas or the other company.

If you are not sure whether you are able to deal in another company’s securities, please consult with the Company Secretary or Managing Director. It is intended that a request will be answered within 48 hours. Electronic clearance via email is acceptable.

(i) Trading that is excluded from this policy

Notwithstanding the provisions of this paragraph 2.2, the following trading is excluded from this Policy:

- transfers of Atlas securities already held by an Employee into a superannuation fund or other saving scheme provided the Employee remains the beneficial interest holder of such Atlas securities;
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Atlas securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- undertakings to accept, or the acceptance of, a takeover offer;
- 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 under a renounceable pro rata issue; and
- a disposal of Atlas securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement, where, if the person is a director or senior manager, he or she has already received prior written clearance for the original financing arrangement in accordance with this Policy.

3 LEGAL PRINCIPLES**3.1 Introduction**

Under the Corporations Act, a person is prohibited from dealing in **securities** where:

- the person possesses information which is not generally available to the public; and
- that information may have a *material effect* on the price or value of securities of the relevant entity; and
- the person knows or ought reasonably to know the information is not generally available and if it were it might have a material effect on the price of securities.

In addition, a person with inside information must not **procure** another person to deal in Atlas securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in Atlas securities.

3.2 Relevant Terms**(a) Securities**

"Securities" means any Division 3 financial product (as that term is defined in section 1042A of the Corporations Act) and includes (but is not limited to):

- ordinary shares;
- preference shares;
- options to be transferred a security;
- rights to subscribe for a security;
- debentures;
- derivatives;
- convertible notes; and
- any other financial product that is able to be traded on a financial market (including ASX).

Securities can be included in this definition whether they are quoted or unquoted and whether they are issued by Atlas or by some other person.

If you have any questions about whether something is a security, please consult with the Company Secretary.

(b) Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling shares. It extends to exercising options over securities and entering agreements to buy or sell securities.

That is, under this Policy and the law, the prohibition on dealing means you are not permitted to:

- buy or sell; or
- enter into an agreement to subscribe for, or to buy or sell, securities,

where you possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If you possess price sensitive information that is not generally available, you are also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

"Procuring" means enticing, encouraging, persuading, causing or securing another person to do something. For the purposes of these provisions procuring includes inciting, inducing or encouraging an act or omission.

For example, you cannot ask or encourage family members to deal in securities when you possess price sensitive information, and you should not communicate price sensitive information.

In general, and provided they do not possess price sensitive information, Employees, other than directors and senior management, will be free to deal in Atlas securities during a Window Period, unless otherwise notified by Atlas.

(c) Information that is generally available

Information is “inside information” if it is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security.

Information is considered to be “generally available” if:

- it consists of readily observable matter; or
- it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed; or
- it may be deduced, inferred or concluded from the above.

That is, information will be “generally available” if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways.

(d) Material effect of the price of securities

Information is considered by the Corporations Act to be likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of the information that may be material. However, the following type of information would be likely to be considered to have a material effect on Atlas' share price:

- information regarding a material increase or decrease in Atlas' financial performance from previous results or forecasts;
- a proposed material business or asset acquisition or sale;
- the damage or destruction of a material operation of the Atlas group;
- proposed material legal proceedings to be initiated by or against Atlas;
- regulatory action or investigations undertaken by a government authority;
- the launch of a material new business;
- a proposal to undertake a new issue of shares;
- a proposal to undertake a major change in financing;
- board or senior management changes;
- exploration results and interpretations; and
- information that is being withheld in accordance with the exception to the continuous disclosure requirements in ASX Listing Rule 3.1A.

(e) Information

For the purposes of the insider trading provisions of the Corporations Act, "information" is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

(f) Relationship to the continuous disclosure regime

The Corporations Act and the ASX Listing Rules require Atlas to immediately release to the ASX any information concerning Atlas which may reasonably be expected to have a material effect on the price or value of Atlas securities, subject to limited exceptions.

As a result of the operation of the continuous disclosure regime, usually all material price sensitive information will be generally available. However, there are limited circumstances in which disclosure of such information is either not required (eg, the ASX Listing Rules do not require disclosure on the basis outlined below) or is not possible (eg, because Atlas may itself be unaware of the information). In these situations, there may be people with "inside information" who would breach the insider trading prohibition if they dealt in securities at that time.

Specifically, the ASX Listing Rules do not require disclosure where:

- (1) one or more of the following applies:
 - it would be a breach of law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure (eg, the effect of an event on Atlas has not yet been quantified);
 - the information is generated for internal management purposes of the entity (eg. internal management accounts or an internal management report); or
 - the information is a trade secret; **and**
- (2) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; **and**
a reasonable person would not expect the information to be disclosed.

Although information does not need to be disclosed under the ASX Listing Rules, Employees may possess "inside information". If a person deals in Atlas securities at a time when that person is aware of information which, but for a carve-out to the ASX Listing Rules, would need to be disclosed to the market, that person will be in breach of the insider trading provisions.

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines and/or imprisonment may be imposed) or civil liability (substantial pecuniary penalties can be imposed). In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the conduct. Such conduct would also prompt disciplinary action by Atlas, which may include termination of employment.

In the case of a body corporate, the commission of an offence under the insider trading provisions is also punishable by substantial fines.

The Corporations Act sets out limited defences to conduct which would otherwise breach the insider trading prohibition. These defences are complex and, in general, will not apply to you. On this basis, you should not deal in Atlas securities until you have received the required approval from the relevant person in paragraph 2 above.

However, under insider trading laws if you are in possession of "inside information" you may be prohibited from trading even where that trading occurs outside a Blackout Period or during a Window Period specified in this Policy.

Breaches of the insider trading laws have serious consequences for both the employee concerned and Atlas. It may also give rise to adverse public scrutiny and media comment. It is therefore important that Employees adhere to this Policy and insider trading laws at all times.

4 WHO TO CONTACT

If you are in any doubt regarding your proposed dealing in Atlas securities, you should contact the Company Secretary.

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