

# CODE OF CONDUCT

## 1. Introduction

The Company expects a high level of honesty, care, fair dealing and integrity in the conduct of Diatreme's business activities. This policy sets forth the standards expected of all employees, inclusive of Diatreme's Directors.

## 2. Compliance

All employees are expected to comply with the spirit and letter of all applicable laws, rules and regulations.

## 3. Conflicts

Conflicts of interest are to be avoided, and any actual or potential conflicts are to be reported to the Company. Potential conflicts of interest may include, but are not limited to the following examples:

- (a) Employees are not to exploit their position within the Company for personal gain,
- (b) Employees are not to have a significant ownership interest in any enterprise which may compromise loyalty to the Company,
- (c) Employees have a duty to bring business opportunities identified through the use of Company property, information or position to the attention of the Company, and
- (d) Employees are not to act in ways which may cause others to question their loyalty to the Company.

## 4. Fair dealing

All dealings with customers, suppliers, competitors, employees and other stakeholders in the Company are to be conducted on fair and reasonable terms.

## 5. Company assets and property

All assets of the Company are to be properly used in the interests of the Company, and safeguarded from loss and misuse.

## 6. Confidential information

Confidential or commercially sensitive information is not to be disclosed without proper authorisation:

- Continuous disclosure obligations are to be met in accordance with the Company's Continuous Disclosure under ASX Listing rules, and
- Securities trading must be conducted in compliance with the Company's Securities Trading Policy

## 7. Employment practices

Diatreme subscribes to good employment practices, specifically:

- All employment practices are to be fair and non-discriminatory,
- A healthy and safe work place is to be maintained,
- Environmental obligations and good practices are to be recognised and respected, and
- The privacy rights of all individuals associated with the Company are to be respected,
- All employment practices are to be fair and non-discriminatory,
- A healthy and safe work place is to be maintained,
- Environmental obligations and good practices are to be recognised and respected, and
- The privacy rights of all individuals associated with the Company are to be respected.

## 8. Reporting

Any circumstance, which an employee believes, in good faith, to be a breach of a law or this Code, is to be brought to the attention of the employee's supervisor or to a more senior executive, who is in turn responsible for contacting senior management or the Company Secretary for guidance:

- Any person reporting such breaches will be protected from retribution, and
- If reporting to a supervisor does not result in satisfactory action, or is not considered likely to result in satisfactory action, any employee may report suspected breaches to the Chief Executive Officer, Chairman of the Audit Committee or Chairman of the Board.

Approved by Board – April 2015

# DIVERSITY POLICY

## 1. Introduction

The Company is dedicated to managing diversity as a means of enhancing the Company's performance and organisational capabilities by recognising and utilizing the contribution of diverse skills and attributes of all of its directors, officers and employees.

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal circumstance or attribute. The Company values the differences between its personnel and the valuable contribution that these differences can make to the Company.

## 2. Objectives

The Company encourages diversity in employment and in the composition of its Board, as a means of ensuring that the Company has access to an appropriate mix of skills and talents to enable it to conduct its business and achieve the Company's goals in an effective manner.

Specifically, the Company will provide equal opportunities in respect to employment and employment conditions, including:

- (a) **Hiring:** the Board will encourage appropriate selection criteria based on diverse skills, experience and perspectives to be used when hiring new staff, including Board members. Job specifications, advertisements, application forms and contracts will not contain any direct or inferred discrimination. The Board is empowered to engage professional recruitment consultants to assist in the hiring process by presenting diverse candidates to the Company for consideration.
- (b) **Training:** The Board will consider senior management training and executive mentoring programs to develop skills and experience to prepare employees for senior management and Board positions. The Board will consider training programs to enhance the skills and capabilities of its workforce.
- (c) **Career Advancement:** All decisions associated with career advancement, including promotions, transfers and other assignments will be made in strict accordance with the Company's needs and be based on performance, skills and merit.

## 3. Achieving Diversity

The Company will encourage diversity and foster an environment within that respects diversity in the workplace and promotes equal opportunities for employment and a work environment that is free from harassment. The Company will not permit unwanted conduct based on an officer, employee or contractor's personal circumstances or characteristics.

The Board will set measurable diversity objectives which may include procedural or structural objectives, initiatives and programs and/or targets in respect of diversification of employees, management and supporting roles, that are appropriate for the Company, and which will be disclosed in the Company's Annual Report.

## 4. Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Company's Diversity Policy and report violations or suspected violations in accordance with this Policy.

The Board will proactively monitor Company performance in meeting the standards and policies outlined in this Policy. This will include an annual review of the diversity objectives set by the Board and its progress in achieving them. The Board may consider setting key performance indicators for the Board, the Managing Director (or equivalent) and senior executives that are linked to the achievement of the diversity objectives set by the Board.

The Board will include in the Annual Report each year:

- (a) the measurable objectives, if any, set by the Board;
- (b) progress against the objectives; and
- (c) the proportion of women employees in the whole organisation, at senior management level and at Board level.

Approved by the Board – April 2015

# CONTINUOUS DISCLOSURE POLICY

## 1. Introduction

Companies should promote timely and balanced disclosure for all material matters concerning the Company. The Company is committed to ensuring it complies with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

This policy presents an overview of the disclosure requirements under the ASX Listing Rules and the Company's policy and procedures to ensure Compliance with those requirements to ensure accountability at a senior executive level for that compliance.

## 2. Continuous disclosure policy

Price sensitive information concerning the Company must be immediately disclosed via an announcement to the ASX. The general disclosure obligation as per Listing Rule 3.1 provides that once a company is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value or the company's securities, the Company must immediately notify the ASX of this information.

Examples of types of information which would require disclosure to the ASX include:

- A significant change in the Company's financial forecasts;
- A transaction which potentially has a greater than 5% impact (positively or negatively) on the value of the Group's net assets;
- The commencement or settlement of any significant litigation;

Disclosure is not required under the Listing Rules where all of the following conditions are met:

- (a) A reasonable person would not expect the information to be disclosed;
- (b) The information is confidential and ASX has not formed a view that the information has ceased to be confidential; and
- (c) One or more of the following applies:
  - (i) It would be a breach of law to disclose the information
  - (ii) The information concerns an incomplete proposal or negotiation
  - (iii) The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) The information is generated for internal management purposes of the company;
  - (v) The information is a trade secret

Information ceases to be confidential if the information becomes known either selectively or generally whether inadvertently or deliberately.

## 3. Responsibilities for disclosure

The Board has ultimate responsibility for ensuring the Company complies with its continuous disclosure obligations.

The Company Secretary in consultation with the CEO is responsible for communications with the ASX. The Company Secretary is also responsible for ensuring compliance with the Continuous Disclosure requirements of the ASX Listing Rules. The CEO is responsible for overseeing and coordinating information disclosure to analysts, brokers, shareholders, the media and the general public.

#### **4. Distribution of company announcements and material information**

In accordance with ASX Listing Rules, all disclosures of price sensitive information will be made by a formal announcement to the ASX announcement platform.

Once formal confirmation from the ASX confirming that the announcement has been released to the market has been received, the announcement will be posted on the Company's website as soon as possible and emailed to investors who have elected to subscribe to the Company's email notification service. The Company will also upon request mail a copy of the announcement to shareholders.

#### **5. Market speculation**

The Company has a policy of not responding to market speculation and rumors. If the Company receives a formal request from the ASX to release a statement or information to assist in correcting or preventing a false market in the Company shares the Company Secretary in liaison with the Company Directors is responsible for determining the statement or information to be released.

#### **6. Briefing investors and analysts**

The Company must ensure that any information disclosed to analysts, investors and media is information that is already in the public domain. If information is inadvertently disclosed during briefings this information must be immediately brought to the attention of the Company Secretary for consideration to disclose to the market.

#### **7. Policy breaches**

A breach of this Continuous Disclosure Policy may lead to disciplinary action being taken which may include termination of employment in serious cases.

#### **8. Review of policy**

The Board must review this Policy at appropriate times to ensure that it is effective and remains consistent with the ASX Listing Rules and Corporations Act.

Approved by the Board – April 2015

# SECURITIES TRADING POLICY

## 1. Introduction

This policy statement sets out the policy of Diatreme Resources Limited (the Company) Directors, officers, key management personnel, contractors and all other employees dealing in the securities of the Company.

This policy aims to ensure that the reputation of the Company is not adversely impacted by perceptions of trading in the Company's securities at inappropriate times or in an inappropriate manner.

The policy's intention is to ensure that Directors, officers and other company personnel do not make improper use of "price sensitive information" gained through their position in the Company. This is consistent with the insider prohibition in the Corporations Act, 2001.

## 2. Insider trading prohibition

In board terms, you will be engaging in conduct known as insider trading if:

- (a) You possess information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the company's securities (i.e. information that is "price sensitive"); and
- (b) You engage in one or more of the activities described below:
  - i) deal in securities in the Company (which includes securities, options and warrants) or enter into an agreement to deal in securities of the Company;
  - ii) deal in derivatives or other similar products or hedge in relation to any securities in the Company held by you directly or indirectly (collectively defined as "hedge the securities") or enter into an agreement to do any of these things;
  - iii) advise, procure or encourage another person (for example a family member, a friend, a family company or trust) to deal in the securities in the Company or enter into an agreement to deal in the securities of the Company; or
  - iv) communicate that information or cause that information to be communicated, to a third party where you know, or ought reasonable to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of the Company.

It is the responsibility of each Director, key management personnel, contractors and all other employees to ensure that they do not do any of the things prohibited by the insider trading law. There may be significant criminal and civil liability and penalties imposed on those who breach the law concerning insider trading.

## 3. Price sensitive information

In this policy the term "price sensitive information" means information which:

- (a) Is not generally available;
- (b) If made generally available, is likely to have an effect on the price or value of the Company's shares (or securities of another entity).

Whether information is likely to have an effect on the price of the shares or securities is judged by whether it would affect a reasonable investor's investment decision.

Such information may include matters of supposition, matters that are sufficiently definite to warrant being made known to the public, and matters relating to the likely intentions of the Company (or another listed entity).

Examples of possible price sensitive information include, but are not limited to:

- financial performance,
- entry into, or termination of a material contract,
- a material acquisition or sale of assets,
- an actual or proposed takeover or merger,
- an actual or proposed change to the capital structure,
- a material claim or any other unexpected liability.

The term "generally available" means information that has been disclosed to the market under continuous disclosure obligations or information that has otherwise been made public.

## 4. Application of the Policy

This policy applies to all Directors of the Company, officers, contractors, other key management personnel and to all the employees with access to the Company's financial information and results of operations.

## 5. Closed periods

In addition to the specific prohibition set out under the heading Insider Trading Prohibition Directors and all other employees must also not deal in the Company's Securities during the following periods:

- (a) from 1 January until the close of business on the second day following the ASX release of the Company's full year results;
- (b) from 1 July until the close of business on the second day following the ASX release of the Company's half year results;
- (c) from 1 January, 1 April, 1 July or 1 October until the close of business on the second day following the release of the Company's quarterly report to the ASX;
- (d) until the close of business on of the second day after the Company announces price sensitive information.

Requests to trade during the closed periods may be considered in exceptional circumstances. The current procedure is that a written request is made to the Chairman, describing the claim. Any approval to trade should be in writing and will be determined on a case by case basis.

Exceptional circumstances include:

- (e) a severe financial hardship due to a pressing financial commitment that cannot be satisfied otherwise by selling the relevant securities in the Company;
- (f) a court order, or an enforceable court undertakings relating to a family settlement to transfer or sell securities in the Company, or some other overriding legal or regulatory requirement relating to you to comply;
- (g) it is recognised that exceptional circumstances may arise that have not been considered in the policy and those requests will be considered if they arise;
- (h) approvals to trade in exceptional circumstances will be in writing including email authority and will be for a period of 5 business days.



## 6. Prohibited periods

These periods include the closed periods as well as, where there is price sensitive information that has not been released to the ASX as the result of Listing Rule 3.1A being in operation. Examples include where disclosure of information is forbidden by law, or where negotiations are incomplete, involve trade secrets, or concern information generated internally for the purposes of the Company

## 7. ASX Notification by directors

The Corporations Act obliges a director to notify the ASX within 14 days after any dealing in the Company's securities (either personally or through a third party) which results in a change in the relevant interests of the director in the Company's securities. In addition, under the ASX Listing Rules the Company is required to notify the ASX:

- (a) Of such dealings within 5 business days of such dealings taking place; and
- (b) Whether the dealings occurred during a 'closed period' and if so whether written clearance was obtained.

Directors have agreed with the Company to provide notice of such dealings to the Company as soon as possible after such dealing to enable the Company to comply with its obligations under the Listing Rules. A notice given by the Company to the ASX under the ASX Listing Rules satisfies the director's obligation to notify the ASX under the Corporations Act.

## 8. Securities of Other Companies

The prohibition in the Corporations Act against insider trading applies equally to where price sensitive information is held by a person about another listed company or entity. This may occur, for example where in the course of negotiating a transaction with the Company, another listed entity provides confidential information about itself or another listed entity. Accordingly, if a person is in possession of insider information in relation to the securities of another listed entity, they must not deal in those securities.

## 9. Prohibition on hedging/derivative trading

Participants in any of the Company's share, option, performance rights or other plan are prohibited from dealing in derivatives, hedging or other similar arrangements in relation to Securities that:

- (a) have not vested;
- (b) have not been released to the participant; or
- (c) have vested but are subject to trading restrictions.

## 10. Consequences of breach

Any person contravening this Securities Trading Policy will be regarded as having been engaged in serious misconduct and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

## 11. Reviewing the policy

This policy will be reviewed regularly and revised if circumstances warrant or more often as required by changes to ASX Listing Rules, the Corporations Act or other legally binding disclosure requirements.

Approved by the Board – April 2015