

## 1 INTRODUCTION

The purpose of this policy is to:

- explain the type of conduct in relation to dealings in securities (such as shares, performance rights and options) that are prohibited under the *Corporations Act 2001* (Cth) (**Corporations Act**), which is applicable to all personnel (**PVD Personnel**) of the Pura Vida group of companies (**PVD Group**); and
- establish a best practice procedure for the buying and selling of securities that protects the Company, its Directors and employees against the misuse of unpublished information which could materially affect the value of PVD securities.

## 2 OVERVIEW

### 2.1 Scope of policy

This policy applies to:

- executive and non-executive Directors;
- employees of PVD Group; and
- contractors, consultants and advisers,

and the PVD Group.

This policy also extends to some “associates” of the PVD Group such as family members or entities controlled by the PVD Group and their associates.

### 2.2 Securities covered by this policy

This policy applies to the following securities:

- PVD shares;
- any other securities which may be issued by PVD, such as options and rights; and
- derivatives (such as exchange-traded options and warrants) and other financial products issued by third parties in relation to PVD shares, debentures and options,

together **PVD Securities**

This policy extends to all PVD Securities owned or controlled by a person covered by the policy, whether those securities are held in the name of that person, in a company, through a trust, by a family member or in some other entity or arrangement. Persons covered by this policy must inform their brokers or financial advisers who have discretion to trade on their behalf of their restriction from trading PVD Securities under this policy.

## 3 POLICY FOR DEALING IN PVD SECURITIES

### 3.1 Insider trading prohibition

Insider trading is a serious offence under the Corporations Act.

If you are in possession of inside information you must not:

- deal in PVD Securities; or
- communicate the inside information to anyone else.

This **prohibition** overrides all other rules and exceptions set out in this policy. It applies at all times.

Insider trading is a criminal offence attracting fines with a maximum penalty for individuals of \$22,000 and/or 5 years imprisonment. Alternatively, it may also result in civil liability of up to \$200,000 for an individual.

### 3.2 What is inside information?

Inside information or price-sensitive information is any information which if it were generally available, a reasonable person would expect it to have a material effect on the price or value of PVD Securities, or would be likely to influence a person in deciding whether to buy or sell PVD Securities.

Employees and directors have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else. This duty of confidentiality also extends to the divulgence of price-sensitive information.

### 3.3 Examples of inside information

To illustrate the prohibition described above, the following are possible examples of price-sensitive information which, if made available to the market, may have a material affect on PVD Securities:

- (a) the Company considering a major acquisition;
- (b) the threat of major litigation against the Company;
- (c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (e.g. new product or technology);
- (f) the grant or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a share issue proposal;
- (i) an agreement or option to acquire an interest in an oil and gas asset, or to enter into a joint venture or farm-in or farm-out arrangement in relation to an oil and gas asset; and
- (j) significant discoveries, exploration results, or changes in reserve/resource estimates from oil and gas assets in which the Company has an interest.

### 3.4 The Closed Period Prohibition

Even if the prohibition set out in 3.1 above does not apply, you must not deal in PVD Securities during the following periods:

- (a) the period of 14 days prior, to 2 trading days after, the publication of the Company's annual results (or, if shorter, the period from its financial year end to the time of publication);
- (b) the period of 14 days prior, to 2 trading days after, the publication of the Company's half year results (or, if shorter, the period from its half year end to the time of publication);

- (c) the period of 14 days prior, to 2 trading days after, the release of the Company's quarterly reports (or, if shorter, the period from the relevant financial period end up to and including the time of the announcement); and
- (d) any other period that the Company specifies from time to time.

### **3.5 Permitted dealings**

Where paragraphs 3.1 and 3.4 do not apply, PVD Personnel may deal in PVD Securities. It is your responsibility to determine whether you are in possession of inside information and if unsure or in any doubt, you should seek advice from the Company Secretary before any dealing is undertaken.

PVD Personnel should seek and obtain, in writing, formal approval as follows:

- (a) a Director of PVD (including the Managing Director/CEO) must inform and receive approval from the Chairman;
- (b) the Chairman must obtain approval from the Chairman of the Audit Committee and Managing Director/CEO or the Company Secretary; and
- (c) all other personnel must inform and receive approval from the Managing Director/CEO and the Company Secretary.

Any dealing should be completed within two (2) business days of confirmation or as otherwise agreed with the person granting approval pursuant to this paragraph and must be consistent with the terms of the notification given.

Directors must notify the Company Secretary of any dealings in PVD Securities immediately any such dealings occur. The Directors appoint the Company as their agent for the purposes of compliance with the disclosure requirement on Directors share trading contained in ASX Listing Rule 3.19A. Directors shall be responsible for providing information to the Company Secretary in order to ensure compliance with Listing Rule 3.19A.

Written notification under this policy via email is acceptable.

### **3.6 Short-term or speculative dealing**

Even if paragraphs 3.1 and 3.4 do not apply, PVD Personnel should never engage in short-term trading of PVD Securities. You must not acquire PVD Securities with the intention of disposing them within 30 days of acquisition.

This prohibition does not apply to PVD Securities acquired as a result of the exercise of an option or the vesting of rights under PVD's employee share schemes or shares acquired under PVD's employee share schemes.

### **3.7 Securities in other companies**

Buying and selling of securities of other companies with which the PVD Group may be dealing is prohibited where an individual possesses information which is not generally available to the market and is price-sensitive. For example, where an individual is aware that PVD or a member of the PVD Group is about to sign a major agreement with another company, they should not deal in either PVD Securities or the other company.

### **3.8 Participation in employee share scheme**

This policy does not restrict participation in PVD employee share schemes but does apply in respect of any subsequent dealing in PVD Securities to which an employee may become entitled under those plans.

### 3.9 Exceptional circumstances

In exceptional circumstances and where a person is not in possession of inside information in relation to the Company, clearance may be given for the disposal of PVD Securities during a prohibited period if:

- (a) the sale of PVD Securities is necessary to alleviate severe financial hardship;
- (b) a binding commitment was entered into prior to entering into a prohibited period where it was not reasonably foreseeable at the time the commitment was made that a prohibited period was likely;
- (c) is required by a court order, or there are court enforceable undertakings to transfer or sell PVD Securities or there is some other overriding legal or regulatory requirement for him or her to do so; and
- (d) there are other exceptional circumstances.

Clearance in writing should be sought from the Chairman in the case of Directors, in the case of the Chairman from the Managing Director/CEO, and from the Company Secretary in the case of employees.

### 3.10 Exceptions to this policy

The following is excluded from the operation of this policy:

- (a) transfers of PVD Securities already held in a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a restricted person is a trustee, trading in PVD Securities by that trust provided that 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;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) 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;
- (f) disposal of PVD Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) the exercise (but not the sale of PVD Securities following exercise) of an option or a right under an employee share 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;
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this trading policy and where:
  - the restricted person did not enter the plan or amend the plan during a prohibited period;
  - the trading plan does not permit the restricted person to exercise any influence or discretion over how, when or whether to trade; and
  - the trading plan cannot be cancelled during a prohibited period except in exceptional circumstances;
- (i) where the beneficial interest in the relevant PVD Security does not change;

- (j) transactions conducted between an individual and their spouse, civil partner, child, step-child or other close family member;
- (k) participation in an employee share scheme operated by the PVD Group, including applying for the allocation of securities under an employee share offer (however, where PVD Securities are granted under an employee share or option plan cease to be held under the terms of that plan, employees must only deal in those securities in accordance with this policy).

Note, that under insider trading laws, a person who possesses inside information may be prohibited from dealing in PVD Securities even where the dealing falls within an exception specified in this policy.

#### **4 HEDGING AND COLLATERISATION OF PVD SECURITIES**

Hedging includes entering into transactions in financial products, such as derivatives, that operate to limit the economic risk associated with holding PVD Securities.

##### **4.1 Hedging**

###### **4.1.1 Prohibited conduct**

Hedging of PVD Securities by PVD Personnel is subject to the following overriding prohibitions:

- (a) the hedge transaction may not be entered into, renewed, altered or closed out when the relevant PVD Personnel is in possession of inside information;
- (b) PVD Securities may never be hedged prior to the vesting of those PVD Securities; and
- (c) PVD Securities may never be hedged while they are subject to a holding lock or restriction on dealing under the terms of an employee share scheme operated by the PVD Group.

###### **4.1.2 Permitted conduct**

You are permitted to hedge your PVD Securities on the following conditions:

- (a) the hedge transaction is treated as an ordinary dealing in PVD Securities for the purposes of this policy, and the relevant approvals and notifications are made on this basis; and
- (b) clearance has been obtained in accordance with paragraph 3.5 (if applicable).

###### **4.1.3 Notification**

Where you enter into a hedging arrangement in respect of PVD Securities, the Company may, where appropriate, disclose the fact and nature of the hedge (eg. in the annual report or to the ASX).

##### **4.2 Collateralisation and margin loans**

4.2.1 PVD Personnel may not include their PVD Securities in a margin loan portfolio or similar funding arrangement or otherwise deal in their PVD Securities pursuant to a margin lending or similar funding arrangement, without first obtaining the written approval of the Board. The request should be submitted to the Company Secretary who will forward it to the Board.

4.2.2 The decision to give or refuse approval is entirely at the discretion of the Board (who are not required to give any reasons for their decision) and the decision is final and binding on the PVD employee seeking approval. Any refusal or approval by the Board is a confidential matter which must not be disclosed to any other person, save to the extent necessary to comply with this Policy. Any approval given may be revoked in writing (including by email) by the Board prior to entering into the margin loan or funding arrangement taking place if new information comes to light, or there is a change in circumstances, where the Board believes that, from the date of approval and the date of dealing, the relevant PVD employee has become aware of inside information.

4.2.3 Additionally, any margin lending or similar funding arrangement entered into by a PVD employee in relation to PVD securities must be disclosed in writing to the Company Secretary as soon as practicable after entry into such an arrangement, and, in any case, not more than 24 hours afterwards.

4.2.4 In the event PVD approves any margin loan or similar funding arrangement, PVD will publicly disclose any such margin loan or similar funding arrangements over PVD Securities by a Director or member of the management team irrespective of whether such disclosure is required by law or the ASX Listing Rules.

4.2.5 Any PVD Personnel who has used PVD Securities as collateral or has entered into a margin loan in relation to PVD Securities, or intends to do so, must provide a copy of this policy to the lender. In addition, PVD Personnel are not permitted to use PVD Securities as collateral or to enter into a margin loan or similar arrangement, without first obtaining written confirmation from the lender or holder of the collateral that the PVD Securities will not be dealt with by it in contravention of the obligations under this policy.

## **5 REGISTER OF DEALINGS**

The Company Secretary will maintain a copy of:

- (a) all requests for approval to deal in PVD Securities submitted by PVD Personnel;
- (b) all decisions relating to requests; and
- (c) details of all dealings in PVD Securities made by any PVD Personnel.

## **6 POLICY GOVERNANCE**

The Company Secretary shall be responsible for assessing and monitoring compliance with this policy and reporting to the Managing Director/CEO and the Board, as required.

This policy will be reviewed periodically to ensure it complies with all applicable laws and best corporate governance practices.

Breach of the insider trading laws may subject you to:

- (a) criminal liability – penalties include heavy fines and imprisonment; and
- (b) civil liability – you can be sued by another party or PVD for any loss suffered as a result of illegal trading activities.

The requirements imposed by this policy are separate from and additional to, the legal prohibitions in the Corporations Act on insider trading.

Strict compliance with this policy is a condition of employment.