

# POLICY FOR TRADING IN COMPANY SECURITIES

## **FALCON MINERALS LIMITED ("COMPANY")**

Directors, officers and employees who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading and the Company's policy for trading in Company's securities.

Insider trading is the practice of dealing in a company's securities (ie. shares or options) by a person with some connection with a company (eg. an employee) in possession of information generally not available to the public, but may be relevant to the value of the company's securities or may influence a person's decision to transact in the company's securities. It may also include the passing on of this information to another.

### **Insider Trading Prohibition**

In summary, directors, officers and employees of the Company must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities (ie. shares or options) in the Company, or procure another person to do so:

1. if that director, officer or employee possesses information that a reasonable person would expect to have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company if the information was generally available;
2. if the director, officer or employee knows or ought reasonably to know, that:
  - (a) the information is not generally available; and
  - (b) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company.
3. If there is any doubt as to whether the information is information that a reasonable person would expect to have a material effect on the price or value of the securities, or information that might have a material effect on the price or value of the securities, then the director, officer or employee must first seek and obtain written acknowledgement from the Chairman and or the Chief Executive Officer.

Further, directors, officers and employees must not either directly or indirectly pass on this kind of information to another person, unless that person is covered by a properly executed Confidentiality Agreement with the Company.

## **Blackout Period**

In addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that directors, officers and senior management must not trade within five trading days immediately preceding and one trading day, or part thereof, of the Australian Stock Exchange (ASX), immediately following the release of the Company's half year and annual financial accounts.

The Company also requires that directors, officers and senior management must not trade between the end of the quarter and one trading day following the release of the ASX quarterly reports.

A person may trade in the Company's securities inside of the blackout period described above in the following circumstances:

1. the Chair approves the trade by a Director or officer upon the director or officer satisfying the Chair that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
2. the Chief Executive Officer approves the trade by the Chair upon the Chair satisfying the Chief Executive Officer that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
3. the Chief Executive Officer approves the trade by an employee upon the employee satisfying the Chief Executive Officer that they do not possess unpublished price sensitive information about the Company and a failure to trade in the Company's securities would result in exceptional circumstances such as financial hardship;
4. where the trade is part of a managed securities portfolio where the person is not in a position to influence choices in the portfolio; and
5. where the trade results from a dividend reinvestment plan where the person has given ongoing instructions to reinvest dividends.

## **Clearance Prior to Trading**

Directors, officers, senior management and nominated employees must not trade in the Company's securities without first obtaining clearance before commencing the transaction from:

1. in the case of officers, senior management and nominated employees, the Chief Executive Officer or in his absence, the Company Secretary;
2. in the case of a director, or their associates, the Chairman or in his absence, the Managing Director;

3. in case of the Chief Executive Officer, the Chairman or, in his absence, the Chairman of the Audit Committee; or
4. in the case of the Chairman, the Chairman of the Audit Committee.
5. the approval to trade is valid until the order is completed, or until the approval is cancelled.

### **Long Term Trading**

The Company wishes to encourage directors, officers and employees to adopt a long term attitude to investment in the Company's securities. Therefore, directors, officers and employees must not engage in short term or speculative trading of the Company's securities.

### **Prohibited Transactions**

Directors, officers and employees must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining written acknowledgement from the Chair.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

### **Notification**

Directors must disclose details of changes in securities of the Company they hold (directly or indirectly) to the company secretary as soon as reasonably possible after the date of the change but in any event:

1. no later than 3 business days after the change; or
2. if you begin to have or cease to have a substantial shareholding or there is a change in your substantial holding, the business day after the change.

Directors are referred to the Company's *Director's Disclosure Obligations* document and *Director's Declaration of Interest Form*. The company secretary is to maintain a register of notifications and acknowledgements given in relation to trading in the Company's securities. The company secretary must report all notifications of dealings in the Company's securities to the next board meeting of the Company.

Directors are reminded that it is their obligation under section 205G of the Corporations Act to notify the market operator within 14 days after any change in a director's interest.

## **Breaches**

Breach of the insider trading prohibition could expose you to criminal and civil liability. Breach of insider trading law or this Policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

This Policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Directors, officers and employees who wish to obtain further advice in this matter, are encouraged to contact the company secretary.

This Policy also applies to the Company's related entities.

### **SUMMARY OF POLICY FOR TRADING IN COMPANY SECURITIES**

The board has adopted a Policy which prohibits dealing the Company's securities by directors, officers and employees when those persons possess inside information. The Policy also contains a blackout period within which directors, officers and employees are prohibited from trading. The Policy also contains a trading window which directors, officers and employees are prohibited from trading outside of. The Policy prohibits short term or speculative trading of the Company's securities. Directors, officers, senior management and nominated employees are required to obtain clearance prior to trading.