



SHARE TRADING POLICY



Share Trading Policy – Guidelines for Dealing in Securities	
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Sponsor	Chief Executive Officer & Managing Director and Company Secretary
Approver	Board of Directors
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1 POLICY PURPOSE & OBJECTIVES

Arq is listed on the ASX (**ASX: ARQ**) and this document sets out the company's policy regarding trading in Arq Securities and Insider Trading.

The purpose of this Policy is to:

- (a) set out guidelines for dealing in Arq Securities;
- (b) assist Directors, Officers, KMP and Employees to comply with the law and to adequately manage conflicts of interest; and
- (c) ensure that any Director, Officer, KMP or Employee does not deal in Arq Securities in any way which:
 - (i) breaches the law prohibiting Insider Trading; or
 - (ii) harms Arq's reputation; or
 - (iii) compromises market confidence in Arq's practices in relation to dealing in Arq's Securities.

As part of the duty to avoid conflicts, the Relevant Legislation prohibits any Director, Officer, KMP or Employee of a company from making improper use of:

- his or her position with the company; or
- information acquired by virtue of that position, to gain (directly or indirectly) an advantage for any person or to cause detriment to the company.

In addition, the Relevant Legislation prohibits any person from trading in securities of a company at a time when that person possesses certain information that is not Generally Available and which, if disclosed publicly, would be likely to materially affect the market price of the securities.

Directors, Officers, KMP and Employees are encouraged to be long-term holders of Arq's Securities. However, in light of the prohibitions contained in the Relevant Legislation and the Listing Rules, it is important that care is taken in the timing of any trading in Arq's Securities by its directors and Employees.

These guidelines include a basic explanation of what constitutes Insider Trading and Arq's policy to prevent it, including:

- a description of what conduct may constitute Insider Trading;
- a description of the safest times for Directors, Officers, KMP and Employees and their Related Parties, to buy or sell Securities in Arq in order to minimise the risk of Insider Trading;
- closed periods during which Directors, Officers, KMP and Employees and their Related Parties, are not permitted to trade in Arq Securities; and
- the steps for Directors, Officers, KMP and Employees to take when buying or selling Securities in Arq.





2 INSIDER TRADING IS PROHIBITED

What is Insider Trading?

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of Insider Trading if:

- (a) that person possesses 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 a company's securities (i.e., information that is 'price sensitive'); and
- (b) that person:
 - buys or sells Securities in Arq; or
 - procures someone else to buy or sell Securities in Arq; or
 - passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the Securities; or
 - procures someone else to buy or sell Securities of Arq.

Information is Generally Available if:

- it consists of readily observable matter; or
- it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of bodies corporate of a kind whose price or value might be affected by the information, and since it was so made known, a reasonable period for it to be disseminated among such persons has elapsed.

Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of Arq Securities:

- the likely grant (or loss) of a major domain names registration services contract;
- Arq considering a significant new joint venture or partnering arrangement which could result in a material increase in its revenues or profits;
- Arq considering a major acquisition or a disposal of a line of business;
- a proposal to launch a significant new product or service;
- Arq's financial results materially exceeding (or falling short of) the market's expectations;
- the threat of major litigation against Arq;
- senior management or Board changes;
- a proposed dividend; or
- a proposed change in Arq's capital structure.





Dealing through third parties

A person does not need to be a Director, Officer, KMP or Employee of Arq to be guilty of Insider Trading in relation to Securities in Arq. The prohibition extends to dealings by Directors, Officers, KMP and Employees through their Related Parties, nominees, agents or other associates, such as family members, family trusts and family companies.

Information however obtained

It does not matter how or where the person obtains the information - it does not have to be obtained from Arq to constitute Inside Information.

Employee share schemes

The prohibition does not apply to subscriptions for shares by Employees made under an employee share scheme. However, the prohibition will apply to the disposal of shares acquired under such a scheme. It could also apply to the exercise of employee options.

Dividend Reinvestment Plan

The prohibition does not apply to shares issued pursuant to the company's Dividend Reinvestment Plan pursuant to a standing Dividend Reinvestment Plan notification lodged with Arq's share registry.

3 GUIDELINES FOR TRADING IN ARQ'S SECURITIES

General rule

Directors, Officers, KMP and Employees of Arq **must not buy or sell Securities** in Arq when they possess price sensitive or Inside Information which is not Generally Available to the market.

In addition, Directors, Officers, KMP and Employees must not buy or sell shares in Arq during a "closed period" except with prior approval as set out in this policy.

No short-term trading in Arq's Securities

Directors, Officers, KMP and Employees and their Related Parties must not engage in short-term trading of Arq's Securities. For example, buying and selling Arq's Securities within a short period of time with the view of realising a profit or minimising a loss as opposed to holding the shares as a long-term investment.

Safest times to deal in Arq's Securities

Generally, Directors, Officers, KMP and Employees of Arq should be wary of dealing in Arq's Securities or the shares of any other companies with which Arq is or may be involved (see Section 7).





The only appropriate time for a Director, Officer, KMP or Employee to acquire or sell Arq's Securities is **when he or she is not in possession of price sensitive information which is not Generally Available to the market or Inside Information**. If you are unsure speak to your direct manager or the Company Secretary.

In addition, Directors, Officers, KMP and Employees may not deal in Arq's Securities during the following periods (**closed periods**) unless expressly permitted in writing to do so in accordance with Section 4 below:

- from the close of each half-yearly or yearly results period (i.e. 30 June and 31 December each year) until 24 hours following the release of Arq's half-yearly or yearly results;
- the two weeks immediately before the Annual General Meeting when it is customary for the Chairman and CEO to provide further information about Arq's current performance; or
- any other period which may be designated as a "closed" or "black-out period" by the Chairman.

In the past, the view has been that it is safest to trade in a company's securities during 'window' periods immediately following the release of information to the public; for instance, in the period following the Annual General Meeting or the release of the annual or half-yearly results.

However, publicly listed companies and other disclosing entities are now required by statute to disclose price sensitive information on an on-going basis. Therefore, it is no longer relevant to refer to specific 'window' periods during which it is safest to trade in a company's securities. There are, however, certain carve-outs from a listed company's continuous disclosure obligation (such as where the information relates to confidential and incomplete negotiations of a material transaction). Accordingly, directors and Employees cannot assume that they are always free to trade outside of the "closed" periods set out above.

Once price sensitive information which was not previously available to the market has been released to the market, it is safest to trade in Arq's Securities after a reasonable amount of time has passed in respect of the market announcement. What is a reasonable amount of time in the circumstances is a matter of judgement, however, the question is whether enough time has passed for investors or shareholders to have obtained the information.

If in doubt, queries should be directed to the Chairman (in the case of Directors) or Company Secretary (in the case of Employees).





4 CLEARANCE PROCEDURES

Any Director, Officer or KMP of the Company wishing to trading in Arq's Securities **must before buying or selling Securities:**

- (a) in the case of Directors, seek approval from the Chairman; or
- (b) in the case of KMP or Officers (excluding Directors), seek approval from the CEO & Managing Director or the Company Secretary.

This approval requirement operates at all times.

In the case of Employees (excluding officers and KMP) who wish to trade Arq Securities during a Blackout period, seek approval from the Company Secretary.

Directors, Officers and KMP must not buy or sell Arq's Securities, until approval has been given by the Chairman (in the case of Directors) or the CEO (in the case of KMP and Officers – excluding Directors).

Approval will only be granted to trade during a closed period in certain exceptional circumstances such as severe financial hardship or any other circumstance which the Board determines appropriate. It is important to stress, however, that **this approval does not absolve the person proposing to deal of their obligation to comply with the law**. It is a means of giving the Director or executive officer greater comfort (for example, there may be something imminent which may be material but of which they are not yet aware and it may cause subsequent embarrassment were trading to have occurred shortly prior to such a development being announced). It is not a **sanction**.

This procedure should prevent potential embarrassment and adverse publicity concerning trading Arq's Securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectations.

5 MARGIN LENDING

Directors, Officers, KMP, Employees and their Related Parties must not enter into a Margin Loan or other secured financing arrangement over their Arq Securities and doing so will be considered to be a breach of this Policy.

A sale of Securities held by a Director, Officer, KMP, Employee or their Related Parties, by a third party outside of their control is a breach of this Policy.





6 HEDGING

Officers, KMP and Employees who participate in any of Arq's Employee equity or incentive plans must not:

- (a) enter into an instrument or financial product which would operate to minimise any potential economic loss of the value of restricted shares or unvested performance options or performance rights; or
- (b) enter into any Derivative arrangement in respect of restricted shares or unvested performance options or performance rights,

granted under any equity or incentive plan. A breach of this clause will result in forfeiture of the relevant award by the Employee.

7 TRADING IN SECURITIES OF OTHER COMPANIES

Directors, Officers, KMP and Employees and their Related Parties may become aware of Inside Information relating to another company.

This could occur as a result of:

- (a) work carried out for Arq's customers;
- (b) entering into a joint venture; or
- (c) acquisition of another company or assets of another company or disposition of assets or a business unit owned by Arq.

This Policy must be adhered to and no trading in the securities of that other company take place, if a Director, Officer, KMP or Employee or their associates become aware of Inside Information about another company.

8 ASX NOTIFICATION BY ARQ

The ASX Listing Rules requires Arq to notify the ASX within 5 days of any dealing by a Director in Arq's Securities (either personally or through a third party) which results in a change in the relevant interests of the Director in Arq's Securities. It is also necessary to advise whether the trade occurred during a closed or 'blackout' period and, if so, whether prior written approval was granted. A Director should therefore also contact the Company Secretary prior to dealing in any of Arq's Securities to enable Arq to comply with this requirement.

Directors must advise the Company Secretary of any change in their security holding within three business days of that change to enable Arq to comply with all applicable timeframes under the Listing Rules for notifying changes in Directors' holdings.

Directors, Officers and KMP must notify the Company Secretary of the HINs or SRNs of their security holdings and the holdings of their Related Parties to enable Arq to establish an alert service with Arq's registry provider to be notified or and verify any changes in those security holdings.





9 MONITORING AND REVIEW

This Policy has been adopted by the Board of Arq. Any amendment to this Policy must be approved by the Board of Arq, and if required by the Listing Rules such changes will be published on the ASX.

This Policy will be reviewed and, if required, updated on a bi-annual basis.

10 NON-COMPLIANCE, BREACHES AND SANCTIONS

Any known or suspected non-compliance with this Policy must be reported to the Company Secretary or the CEO & Managing Director for investigation.

Failure to comply with this Policy will be regarded as serious and may lead to disciplinary action, including dismissal. In addition, a breach of this Policy may also attract civil or criminal legal penalties.

11 RELATED POLICIES AND PROCEDURES

This Policy should be read and considered in conjunction with all Relevant Legislation and any other relevant Arq policies and procedures including but not limited to the Disclosure Policy.

12 DEFINITIONS

Arq means Arq Group Limited (**ASX: ARQ**).

ASX means the Australian Securities Exchange.

Control means having the ability or capacity to determine or influence the outcome of decisions about that company or entity's financial or operating decisions.

Director means a director of the Board of Arq.

Derivative has the meaning given in S761D of the Corporations Act 2001 (*Cth*) and includes options, forward contracts, futures, warrants, swaps, caps and collars.

Employee means all current employees and includes employees who are also Officers and KMP (irrespective of their employment status (i.e includes all permanent and temporary, fixed term and part time worker or workers provided by an agency) and any former employees who are in possession of market sensitive information. References to Employees in this Policy includes those employees who are also Officers and KMP of Arq.

Generally Available has the meaning set out in this Policy and given in Sections 4.1.4 and 1042C of the Corporations Act 2001 (*Cth*).





Inside Information means information that:

- (a) is not Generally Available; and
- (b) if it were Generally Available, it would or would be likely to influence investors in deciding whether to buy or sell securities,

and, use of Inside Information constitutes **Insider Trading**.

Key Management Personnel (KMP) means key management personnel as defined in Australian Accounting Standards Boards' AASB 124 or any other applicable Australian Accounting Standards, and includes those Directors and Employees who have Control or the authority and responsibility for planning and directing the activities of Arq either directly or indirectly.

Listing Rules means the listing rules established by the ASX or any successor regulatory body governing listed companies in Australia.

Margin Loan means any finance arrangement or facility pursuant to which Arq Securities are mortgaged, lent, provided as security or charged to a financier.

Officer has the meaning contained in Section 9 of the Corporations Act 2001 (*Cth*).

Related Party means:

- (a) Any spouse, de facto spouse, immediate family member or relative of a Director or Employee;
- (b) A company or other entity that is Controlled by a Director or Employee of Arq;
- (c) A company or other entity Controlled by a Related Party referred to in paragraph (b) above or referred to in this Policy;
- (d) A company or other entity that is, or will be, or has reasonable grounds to believe it is or is likely to become a Related Party of a Director or Employee.

Relevant Legislation means the Corporations Act 2001 (*Cth*) and any other applicable legislation or regulation applicable to Arq as applicable, enacted or amended from time to time.

Securities means:

- (a) ordinary shares, including ordinary shares allocated under Employee equity or incentive plans put into place from time to time by Arq;
- (b) rights or options in respect of ordinary shares including those allocated under Employee equity or incentive plans put into place from time to time by Arq;





- (c) any bond or other security issued by Arq and traded on a financial market;
- (d) any warrant over ordinary shares; and
- (e) any hedging, financial instrument or Derivative issued over Arq Securities.

Version	Date	Details
1	May 2018	Approved by Board
2	5 July 2019	Approved by Andrew Macpherson as delegate of the Board

