

10. SHARE TRADING AND CONFLICTS OF INTEREST POLICY

10.1 DEFINITIONS

For the purposes of this Policy:

- **ASX** means the Australian Stock Exchange.
- **Blackout Period** has the meaning given under clause 10.10.
- **Board** means Ardea's Board of Directors.
- **Corporations Act** means the *Corporations Act 2001* (Cth).
- **Individuals** means individuals who have dealings with Ardea, including:
 - (a) employees, executive and non-executive Directors (including the Chairman of the Board) consultants and contractors of Ardea and its subsidiaries;
 - (b) any person that possesses or is deemed to possess Inside Information under the Corporations Act;
 - (c) any other person retained by or engaged in professional activity on behalf of the Company or any of its subsidiaries (such as a consultant, independent contractor or adviser); and
 - (d) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in (a), (b) or (c) above.
- **Inside Information** has the meaning given under clause 10.4.
- **Insider Trading** has the meaning given under clause 10.5.
- **Insider Trading Policy Administrator** means an individual designated by the Board of Directors from time to time to administer this policy and in the absence of a specific appointment shall be the Company Secretary.
- **Key Management Personnel** has the same meaning as in the accounting standards (as defined in the Corporations Act) and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of Ardea, directly or indirectly, including any director (whether executive or otherwise) of Ardea.
- **Policy** means this Share Trading Policy.
- **Securities** mean any Division 3 financial product of Ardea (as defined by section 1042A of the *Corporations Act 2001* or any such provision which may replace it) including shares, options and other securities.
- **Trade in Securities** means apply for, acquire or dispose of any Securities or enter into an agreement to apply for, acquire or dispose of any Securities.

10.2 OVERVIEW

This Policy sets out when Securities may be traded. It is designed to:

- protect Individuals from insider trading allegations and the serious civil and criminal penalties applicable to insider trading; and
- protect Ardea's interests, to ensure that lawful non-disclosure of information to the ASX continues to remain lawful.

In certain circumstances, where certain information is no longer confidential, perhaps as a result of breach of this Policy, Ardea would be forced to disclose certain information to the ASX, the premature disclosure of which could seriously compromise Ardea's interests. The Policy therefore promotes the best interests of Ardea and Individuals.

This Policy also sets out the circumstances in which a person may contravene the Corporations Act by being involved in a conflict of interest.

10.3 APPLICATION

The share trading provisions of this Policy apply to all Individuals.

The conflict of interest provisions of this Policy apply to Ardea directors, secretary, officers and employees.

10.4 WHAT IS INSIDE INFORMATION?

Inside Information is information that is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Securities. Inside Information can include matters relating to the intentions or likely intentions of a person. It does not matter how Inside Information is obtained. It can still be Inside Information whether obtained at work, in a social setting or in any other way.

For the purposes of this definition, information is "generally available" if:

- a) it consists of readily observable matter; or
- b) both of the following apply:
 1. 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 a kind whose price might be affected by the information; and
 2. since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- c) it consists of deductions, conclusions or inferences made or drawn from either or both of the following:
 1. information referred to in paragraph (a);
 2. information made known as mentioned in paragraph (b)(1).

10.5 WHAT IS INSIDER TRADING?

Insider Trading occurs where an Individual possesses Inside Information and:

- Trades in Securities;
- advises, encourages or procures another party to Trade in Securities; or
- directly or indirectly communicates to any party any Inside Information, where the Individual knows, or ought reasonably to know, that the other party is likely to:
 - Trade in Securities; or
 - procure another party to Trade in Securities.

10.6 PROHIBITION ON INSIDER TRADING

An Individual must not engage in Insider Trading. It is the responsibility of any Individual contemplating a Trade in Securities to determine prior to such Trade whether he or she is aware of any information that constitutes Inside Information. If in doubt, the Individual should consult with an Insider Trading Policy Administrator.

10.7 DEALING THROUGH THIRD PARTIES

An Individual can still be guilty of insider trading even if he or she is not the person who Trades in Securities. The prohibition extends to:

- any Trade in Securities by Individuals where they use nominees, agents or other persons such as family members, family trusts and family companies; and
- Individuals procuring third parties to Trade in Securities.

10.8 OBTAINING A CLEARANCE

An Individual must not Trade in Securities unless the Individual receives prior written clearance from Ardea's Chairman.

Any prior written clearance provided in accordance with this Policy will be valid for a period of one week from the date of the grant.

The prior written clearance may be provided by way of electronic mail.

It is anticipated that, as a general rule, prior written clearance will not be given if the proposed Trade in Securities is to occur:

- during the period commencing two (2) weeks prior to the public release to the ASX of Ardea's annual, half yearly or quarterly reports or accounts and ending 2 days thereafter; or
- within the two (2) week period prior to Ardea's annual general meeting; or
- for the period during which Ardea is conducting drilling programs until such time as the drilling results are released to the ASX.

It is also anticipated that, as a general rule, prior written clearance will not be given where in the opinion of the Board the Individual is involved in short term trading or "Day Trading" of Securities. Individuals are encouraged to invest in Ardea, however short term speculative trading in Securities is discouraged.

10.9 CLEARANCE AND INSIDER TRADING

Even if an Individual has received clearance to Trade in Securities under clause 10, the Individual will still be engaging in Insider Trading if he or she acts contrary to the prohibition in clause 10.6 above.

Clearance does not provide any guarantee that the proposed Trade in Securities does not constitute Insider Trading. Individuals must be aware at all times of their obligations not to Trade in Securities while they possess Inside Information.

Even Trade in Securities in the period immediately following:

- the public release to the ASX of Ardea's annual, half yearly or quarterly reports or accounts; or
- Ardea's annual general meeting,

will amount to Insider Trading if the Individual who is partaking in the Trade in Securities possesses Inside Information.

10.10 RESTRICTIONS ON TRADING BY KEY MANAGEMENT PERSONNEL

Individuals who are Key Management Personnel are to be subject to additional restrictions on Trade in Securities during certain times of the year. This includes any employee who may be exposed to Inside Information in the course of their duties.

In addition to the overriding prohibition on Trade in Securities when a person is in possession of Inside Information, Key Management Personnel must not Trade in Securities during a "Blackout Period" unless the approval practices below are followed. A "Blackout Period" means:

- (a) the period between the end of quarter and two days after the announcement of Ardea's quarterly report;
- (b) two weeks prior and two days after the announcement of Ardea's half year and annual accounts; and
- (c) any period when there is reason to believe that the proposed dealing is in breach of applicable law or Ardea's policy and standards.

Blackout Periods will be imposed by direction of Ardea's Chairman and notice of the commencement and closure of Blackout Periods will be provided to Key Management Personnel by the Insider Trading Policy Administrator by email.

A Blackout Period may be extended or shortened or another Blackout Period introduced at any time by direction of Ardea's Chairman. Notice of such changes will be specified to Individuals by email. Changes to Blackout Periods are effective immediately.

If Key Management Personnel are unsure as to the precise start and finish dates of these periods, they should consult their supervisor or manager or the Insider Trading Policy Administrator. For the avoidance of doubt, it is stressed that the existence of these Blackout Periods does not permit Key Management Personnel to Trade in Securities whilst in the possession of Inside Information - this restriction applies at all times.

10.11 EXEMPTIONS TO RESTRICTIONS ON TRADING IN BLACKOUT PERIOD

Key Management Personnel may Trade in Securities during a Blackout Period if prior written clearance is obtained in accordance with this Policy. Prior written clearance to trade during a Blackout Period may be granted only in exceptional circumstances. For example, the Board may approve Key Management Personnel exercising options in employee share ownership plans, redemption of securities or certain other option exercises, or if the person is facing extreme financial hardship. However, an exemption will not be granted if it is established by the relevant person authorising the exemption that there is Inside Information.

An exemption will not however be granted by the Board if it considers there is information that is not generally available, but if it were, would be likely to "materially affect" the price of Securities.

10.12 PERMITTED TRANSACTIONS

The grant of options by the Board under any employee incentive scheme established by Ardea and the grant of Securities by the Board under any employee securities acquisition scheme may be permitted during a Blackout Period if such grant could not reasonably be made at another time, the grant of the options would not otherwise be prohibited under this policy and failure to make the grant would indicate that Ardea was in a Blackout Period. Such issues will always be subject to ASX Listing Rules, section 708A of the Corporations Act and any other applicable securities laws and regulations.

Subject to such exercise or conversion not otherwise being prohibited under this Policy or other applicable securities laws and regulations, the Chairman or other designated director may at any time allow the exercise of an option or right under an option scheme or the conversion of a convertible security, to occur.

Any subsequent sale of such Securities will be subject to the terms of this Policy and other applicable securities laws and regulations.

10.13 NOTIFICATION OF TRADING

After receiving a written clearance in accordance with this Policy, an Individual who is a Key Management Personnel member must notify Ardea's Company Secretary within two (2) business days of any Trade in Securities .

Ardea's Company Secretary will inform the Managing Director and the Chairman of Ardea's Board. In addition, Ardea's Company Secretary will ensure compliance with ASX disclosure requirements that apply to Directors' interests in Ardea.

10.14 OTHER COMPANIES' FINANCIAL PRODUCTS

Although the Policy is principally concerned with Insider Trading in relation to Securities (Ardea's securities), Individuals should also be aware that the Corporations Act prohibits any person who possesses Inside Information in relation to any company from applying for, acquiring or disposing of any financial product of that company or entering into an agreement or procuring another person to do so (see section 1043 A of the Corporations Act or any such provision which replaces it).

Serious civil and criminal penalties apply to any person who engages in Insider Trading.

Individuals who wish to trade in a financial product of any company should ensure that they do not possess any relevant Inside Information at the time of the proposed trade.

In particular, Individuals should consider whether they possess any relevant Inside Information of any related body corporate of Ardea or any company with which Ardea has a relationship, whether by way of a joint venture or some other arrangement, before trading in a financial product of Ardea or that other company.

10.15 CONFLICTS OF INTEREST

The Corporations Act also provides that a director, secretary or other officer or employee of a corporation must not improperly use their position to gain an advantage for themselves.

If you are concerned that a situation may give rise to a conflict between your personal interests and Ardea's interests, you should disclose the circumstances immediately to your manager. You should not proceed any further with your proposed course of action until written permission has been granted by the Managing Director.

10.16 CONTRAVENTION OF THIS POLICY

A contravention of this Policy would be unlawful and could lead to significant penalties being imposed against you under the Corporations Act.

Contravention may also lead to disciplinary action including termination or your employment or engagement with Ardea.

POLICY REVIEW

The Board will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

ADOPTION

This Policy was adopted by the Board on 9 November 2016.