

Insider Trading and Market Manipulation Policy

Renergen Limited
Registration number: 2014/195093/06
ABN: 93 998 352 675

The following policy has been drafted from excerpts from the [JSE Insider Trading and Other Market Abuses Booklet](#).

The JSE Limited ("JSE") and the Financial Markets Act 19 of 2012 (which has superseded the Securities Services Act 36 of 2004) ("FMA") have stipulated requirements regarding dealing in Securities of companies listed on the JSE and prohibitions on dealing in Securities in certain circumstances. Renergen ("the Company") and its employees are therefore required to comply with those requirements.

Insider Trading

In terms of section 73(1)(a) of the Act: "An insider who knows that he or she has inside information and who deals directly or indirectly or through an agent for his or her own account in the securities listed on a regulated market to which the inside information relates or which are likely to be affected by it commits an offence." Inside information is defined by the Act as:

Section 72

"... specific or precise information, which has not been made public and which;

1. is obtained or learned as an insider; and
2. if it were made public would be likely to have a material effect on the price or value of any security listed on a regulated market."

It is also necessary to consider when information will be considered to be public. Section 74 of the Act determines that information has been made public:

3. When the information is published in accordance with the rules of the relevant regulated market for the purpose of informing clients and their professional advisers;
4. when the information is contained in records which by virtue of any enactment are open to inspection by the public; or
5. when the information can be readily acquired by those likely to deal in any listed securities
 - 1) to which the information relates; or
 - 2) of an issuer to which the information relates; or

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6. when the information is derived from information which has been made public.

In addition, section 74 determines that:

7. Inside information which would otherwise be regarded as having been made public must still be so regarded even though
 - 1) it can be acquired only by persons exercising diligence or observation, or having expertise;
 - 2) it is communicated only on payment of a fee, or
 - 3) it is only published outside the Republic.

Who is an insider?

An insider is defined by the Act as:

Section 72

8. Insider means a person who has inside information;
 - 1) Through
 - I. being a director, employee or shareholder of an issuer of securities listed on a regulated market to which the inside information relates; or
 - II. having access to such information by virtue of employment, office or profession; or
 - 2) where such person knows that the direct or indirect source of the information was a person contemplated in paragraph (a).

Market Manipulation

Prohibited trading practices (market manipulation) is an offense in terms of section 75 of the Act, which reads as follows:

9. No person may –
 - 1) either for such person's own account or on behalf of another person, directly or indirectly use or knowingly participate in the use of any manipulative, improper, false or deceptive practice of trading in a security listed on a regulated market, which practice creates or might create;
 - i. a false or deceptive appearance of the trading activity in connection with;
or
 - ii. an artificial price for, that security;
 - 2) place an order to buy or sell listed securities which, to his or her knowledge will, if executed, have the effect contemplated in paragraph (a).
10. A person who contravenes subsection (1) commits an offense.



11. Without limiting the generality of subsection (1), the following are deemed to be manipulative, improper, false or deceptive trading practices:

- 1) Approving or entering on a regulated market an order to buy or sell a security listed on that market which involves no change in the beneficial ownership of that security;
- 2) approving or entering on a regulated market an order to buy or sell a security listed on that market with the knowledge that an opposite order or orders of substantially the same size at substantially the same time and at substantially the same price, have been or will be entered by or for the same or different persons with the intention of creating
 - i. a false or deceptive appearance of active public trading in connection with; or
 - ii. an artificial market price for, that security;
- 3) approving or entering on regulated market orders to buy a security listed on that market at successively higher prices or orders to sell a security listed on that market at successively lower prices for the purpose of unduly or improperly influencing the market price of such security;
- 4) approving or entering on a regulated market an order at or near the close of the market, the primary purpose of which is to change or maintain the closing price of a security listed on that market;
- 5) approving or entering on a regulated market an order to buy or sell a security listed on that market during any auctioning process or pre- opening session and cancelling such order immediately prior to the market opening, for the purpose of creating or inducing a false or deceptive appearance of demand for or supply of such security;
- 6) effecting or assisting in effecting a market corner;
- 7) maintaining at a level that is artificial the price for dealing in securities listed on a regulated market;
- 8) employing any device, scheme or artifice to defraud any other person as a result of a transaction effected through the facilities of a regulated market; or
- 9) engaging in any act, practice or course of business in respect of dealings in securities listed on a regulated market which is deceptive or which is likely to have such effect.

Market Manipulation Guidelines to Consider

Never

Deliberately trade with yourself especially if the trade would change the price or give the false impression of volume at that price and induce other to act on the back of that trade.



12. Deliberately trade in the auction in the last few seconds where the trade would
 - a) Result in a change in price
 - b) Where that change in price would benefit you through;
 - I. Inducing other to act on that price to their detriment
 - II. Fees or commissions earned calculated on such price
 - III. Improved margin or risk position with clearer or counterparty

Avoid

Trading in the auction in the last few seconds where the trade is likely to impact the price unless your motivation is solely to get the volume done or close the position.

Crossing spreads in small volumes just to create a new price unless you are seeking liquidity which may come about as a result of the price and where others have an opportunity to narrow the spread.

If there are any questions regarding this Policy, you may contact us using the information below.

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