

## **AXELUM RESOURCES CORP. INSIDER TRADING POLICY**

All directors, officers, and employees of the Company are mandated to strictly observe and maintain the confidentiality of all material non-public information that they may acquire or learn by reason of their position. Thus, said directors, officers, and employees are prohibited (i) from trading (buying and selling) the Company's securities based on this inside information or (ii) from tipping or passing such inside information to someone who may use such information to trade the securities of the Company, during prescribed trading blackout periods.

### **I. Purpose**

The purpose of the Insider Trading Policy is to apprise and ensure compliance by all members of the Board of Directors, officers, and employees of the Company of their obligations under the applicable securities laws and regulations of the Securities and Exchange Commission (SEC) as well as the Philippine Stock Exchange's (PSE) Black Out Rule.

Aside from complying with the law against insider trading as part of SEC and PSE regulations, the Company adopted this policy in keeping with the trend on sound corporate governance practices and supporting the integrity of capital market based on the principle of "equal opportunity based on equal access to information".

### **II. Definition of Terms**

**"Black-Out Period"** is a period during which directors, officers, and other covered individuals are prohibited from dealing, which includes purchasing, selling or otherwise acquiring or transferring the securities of a listed entity, before and after the material nonpublic information has been released to the public.

**"Material Non-Public Information"** refers to information which has not been generally disclosed to the public and (i) would likely affect the market price of a listed security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information, or (ii) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a listed security.

An information is **"material"** if it relates to the business and affairs of a listed company that results in, or would reasonably be expected to result in, a significant change in the market price or value of said listed company's securities; or that would be reasonably expected to have a significant influence on a reasonable investor's investment decisions.

**“Securities”** shall refer to common and preferred shares, if any as well as debt securities like bonds and notes. These may also include securities that are convertible or exchangeable into shares of the company and derivative instruments, agreements or securities (whether or not issued by the company), the market price, value or payment materially referenced to or materially based on a security of the company obligations of which are materially derived from.

**“Tipping”** refers to divulging or supplying any material non-public information to anyone who might have the intention to use the same in trading a listed company’s shares to their personal advantage.

### **III. Prohibition Against Insider Trading**

All directors, officers, and employees of the Company are prohibited from trading or dealing Company shares while in possession of Material Non-Public Information, and from passing such information to any person who might use such information to trade Company shares for personal financial gain.

Everyone should exercise prudence in evaluating whether the non-public information he possesses is material or not. Any doubt should be resolved in favor of treating such nonpublic information as material.

The prohibition covers from the time of the acquisition of such material non-public information and until two (2) full trading days after such information has been made public.

In order to prevent Company insiders from taking unfair advantage over the Material NonPublic Information, directors, officers, and employees are, restricted from trading ARC shares on the following prescribed periods:

- a) At least five (5) trading days before, and two (2) full trading days after, the submission of Annual Report (SEC 17-A) and Quarterly Report (SEC 17-Q).
- b) At least two (2) full trading days from the time a material non-public information is obtained up to two (2) full trading days after dissemination of the information to the general public other than item (a) above.

The Compliance Officer may declare a special trading blackout from time to time as he may deem proper.

The persons covered by this Insider Trading Policy are as follows:

- all members of the Board of Directors;

- all key officers of the Company who are or may be in possession of Material NonPublic Information about the Company on account of their respective positions.

For purposes of this Insider Trading Policy, the “key officers” of the Company shall include all members of the Management Team wherever they are assigned or seconded to the Company’s subsidiaries, including, but not limited to:

- consultants and advisers of the Company;
- all confidential secretaries;
- all other employees who are made aware of undisclosed material information from time to time until such information has been publicly disclosed; and,
- members of the immediate families of key officers and covered persons mentioned above.

#### **IV. Reportorial Requirements**

The directors and principal executive officers of the Company, like all other listed companies, are required under the Securities Regulation Code and the implementing rules and regulations issued by the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) to report their direct and indirect beneficial ownership of ARC securities as well as any change in such beneficial ownership.

SRC Rule 23 of the Securities Regulation Code requires directors and officers of reporting and public companies to submit SEC Form 23-A (Initial Beneficial Ownership Report) on their election or appointment of its beneficial ownership on its Issuer’s securities and SEC Form 23-B (Changes in Beneficial Ownership Report) on any change in such beneficial ownership. PSE Revised Disclosure Rules also requires the said directors and officers to submit a report to comply with Section 13 (Disclosure on Transactions of Directors and Principal Officers in the Issuer’s Securities) and Section 17.5 (Reports on Beneficial Ownership) of the said disclosure rules.

To ensure that such reportorial requirements are timely complied with, directors and key officers must inform the Corporate Secretary and Compliance Officer of their direct and indirect beneficial ownership in Company securities not later than a day after their election or appointment. Likewise, they shall be required to advise the same officers through email or facsimile the details (transaction type, no. of shares, unit price, and transaction date) of all their transactions (acquisition, disposal and lodgment) involving Company securities the day after the transaction date.

For purposes of the reportorial requirements of the SEC and PSE, a director’s or an officer’s beneficial ownership of Company securities shall include not only Company securities which he directly owns but also Company securities which are:

- (i) held by members of his immediate family sharing the same household
- (ii) held by a partnership in which he is a general partner

- (iii) held by a corporation of which he is the controlling shareholder
- (iv) subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities

A director or an officer is directly and indirectly the beneficial owner of any equity security with respect to which he has or shares:

- (a) voting power which includes the power to vote or to direct the voting of such security and/or
- (b) investment power which includes the power to dispose of, or to direct the disposition of, such security.

## **V. Monitoring and Compliance**

Violation or non-compliance with this Insider Trading Policy may result to disciplinary action without prejudice to any criminal and civil liabilities which the Company or regulators may file for violation of existing laws.

Violation of such securities laws could expose directors, officers and employees to personal liability or other penalties.

Penalties or fines may likewise be imposed by the regulators for the late filing of SEC Form 23-A (Initial Beneficial Ownership Report) and SEC Form 23-B (Changes in Beneficial Ownership Report) of the directors and officers based on Rule 23 of the Securities Regulation Code as well as the requirement of Section 13 (Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities) and Section 17.5 (Reports on Beneficial Ownership) of PSE Revised Disclosure Rules.

If it appears that a director, officer and employee may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities for investigation and appropriate action.

Strict observance of these guidelines is therefore enjoined. For any clarifications about the enforcement of the policy, directors, officers and employees may covered may contact the Compliance Officer.

### *Grievance Procedure*

The internal Company procedure on handling administrative cases shall be followed, as deemed practicable, for determining violations and providing due process to the employees concerned.

The Compliance Officer shall be responsible for determining violations committed by any employee through notice and hearing and shall recommend to the President the penalty for such violation. For cases involving a director or officer, the penalty to be

imposed shall be for imposed by the Board. If a director and/or officer is found to be in violation of this Insider Trading Policy and/or other securities laws, the Compliance Officer shall recommend to the Chairman of the Board, for further review and approval of the Board, the penalty for such violation depending on the gravity of the offense which can either be reprimand, suspension or removal from office.

## **VI. Policy Review**

The adequacy of this Insider Trading Policy shall be regularly assessed and presented for consideration by the Board of Directors. Any provision may be amended and shall be effective upon due notice given to directors, officers and employees of the Company.

(Sgd.) HENRY J. RAPEROGA  
President