



中国海通
CHINA HAITONG

CHINA HAITONG LIMITED

CODE OF CONDUCT

1 INTRODUCTION

- 1.1 The Company is committed to complying with its legal obligations and acting ethically and responsibly. The Company is concerned to make positive economic, social and environmental contributions to each of the communities in which it operates, while complying with all applicable laws and regulations and acting in a manner that is consistent with its core principles of honesty, integrity, fairness and respect.
- 1.2 The purpose of this Code is to provide a framework for decision and actions in relation to conduct in respect of employment. It underpins the Company's commitment to adhere to the highest standards of professionalism in the delivery of its services and its duty of care to all employees, stakeholders and clients receiving those services. It should be read in conjunction with the Company's Diversity Policy.
- 1.3 The Company's Employees are expected to act consistently with the fundamental principles set out in this Code at all times. The Company's consultants, contractors and partners working with or for the Company should be informed of these principles, the Company's expectations and their obligation to act in accordance with them.
- 1.4 The Board has adopted this Code to provide a set of guiding principles which are to be observed by its Employees. This Code has been prepared in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (3rd edition, 2014)*.

2 LEGAL COMPLIANCE

2.1 Responsibilities of Directors

- (a) Directors will acquaint themselves with obligations imposed on them and the Company by the Corporations Act and the policies of the Company to meet corporate governance requirements.
- (b) The more important legal obligations are as follows:

- (i) Directors will act honestly, and exercise reasonable care and diligence at all times in the performance of their functions;
 - (ii) Directors or former directors will not make improper use of information acquired by virtue of his or her position;
 - (iii) Directors will not make improper use of his or her position to gain a direct or indirect advantage for themselves or any other person; and
- (c) Directors have a fiduciary duty to the Company and a duty to act with loyalty and in good faith.

2.2 Responsibilities of Employees

- (a) Employees must observe and comply with all applicable laws and regulations at all times.
- (b) Employees are not excused from their obligation to comply with applicable laws and regulations on the basis of ignorance. Breach or non-compliance carries potentially serious consequences for both Employees and the Company. Employees should not take any action which they know or should reasonably know violates any applicable law or regulation. If Employees are unclear about any law or regulation relating to their work, they should raise the matter with their manager or supervisor who make seek legal advice if necessary.
- (c) All operating rules should be followed.

3 CONFLICT OF INTEREST

3.1 Introduction

- (a) The potential for conflict of interest arises when it is likely that an Employee could be influenced, or it could be perceived that an Employee is influenced, by a personal interest when carrying out his or her duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.
- (b) Examples of situations that may give rise to a conflict of interest include situations where an Employee has:
 - (i) financial interests in a matter the Company deals with or the Employee is aware that his or her friends or relatives have a financial interest in the matter;
 - (ii) directorships/management of outside organisations;
 - (iii) membership of boards of outside organisations;
 - (iv) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;

- (v) secondary employment, business, commercial, or other activities outside the workplace which impacts on your duty and obligations to the Company;
 - (vi) access to information that can be used for personal gain; and
 - (vii) an offer of an inducement.
- (c) The Employee may often be the only person aware of the potential for conflict. It is the Employee's responsibility to avoid any conflict from arising that could compromise his or her ability to perform their duties impartially. The Employee must report any potential of actual conflicts of interest to his or her manager or supervisor.
- (d) If uncertain as to whether a conflict exists, the matter should be discussed with a manager or supervisor and attempt to resolve any conflicts that may exist.
- (e) An Employee must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to the Employee's manager or supervisor.

3.2 Engage in activities or hold or trade assets

Employees should not engage in activities or hold or trade assets that involve, or could appear to involve, a conflict between their personal interests and the interests of the Company (i.e conflicts of interest). Such circumstances could compromise or appear to compromise the Employee's ability to make impartial business decisions. If an Employee is uncertain as to whether a conflict of interest exists, he or she should discuss the matter with his or her manager or supervisor as soon as possible.

3.3 Accepting position as director of external group

Employees must obtain the consent of the Chief Executive Officer through the Company Secretary before accepting a position on the board of an external group or organisation.

3.4 Approve or administer contracts

An Employee is generally precluded from approving or administering business arrangements such as contracts between the Company and a member of the Employee's immediate family or with a group, firm, or individual employing a member of the Employee's immediate family in activities under the Employee's administration. Should the Board decide that an Employee (who is also a Director) may properly supply goods or services on commercially acceptable terms to the Company, details will be provided in the annual Directors' Report and Notes to the Financial Statements.

3.5 Acquiring a business interest or participating in any business activity

Employees must avoid acquiring any business interest or participating in any business activity outside the Company which would tend to:

- (a) Create a conflict of interest, that is, an obligation, interest or distraction which would interfere with the independent exercise of judgement in the Company's best interest; or
- (b) Create an excessive demand on the Employee's time and attention or create any distraction during working hours.

3.6 Use of personnel, facilities, equipment or supplies

An Employee must not use Company personnel, facilities, equipment or supplies for personal benefit contrary to the Company's policies and procedures.

3.7 Company Reputation

- (a) Employees must not participate in any activity that would be likely to negatively impact on the Company's reputation.

4 MANAGEMENT OF POTENTIAL CONFLICTS OF INTEREST

4.1 As soon as an Employee becomes aware that he or she may have a conflict of interest or a potential conflict of interest in the process of negotiating or making a decision on a transaction or other action in his or her professional capacity, he or she must immediately disclose it and unless resolved, take no further part in any negotiation or decision on the subject.

4.2 The primary obligation is to disclose the potential conflict of interest in advance. Failing to disclose a potential conflict of interest appropriately could be regarded as misconduct.

4.3 If an Employee believes or suspects that a conflict of interest exists or potentially exists, the following steps must be taken:

- (a) the Employee must immediately disclose any conflict of interest to the Company Secretary using the Conflict of Interest Form provided for that purpose;
- (b) if an Employee is in doubt as to whether a conflict exists, he or she should seek advice from the Company Secretary; and
- (c) once a conflict of interest is identified and the Employee concerned has completed and submitted the Conflict of Interest Form, the Company Secretary must devise an appropriate plan to resolve or manage the conflict of interest.

- 4.4 The management plan will state matters including:
- (a) the nature of the Employees personal interest;
 - (b) the interests of the Company with which the Employees personal interests do or could conflict;
 - (c) the likelihood of the interests actually coming into conflict;
 - (d) the decisions or actions which the Employee agrees to avoid doing and participating in; and
 - (e) the decisions or actions which it is agreed the Employee can take or do.
- 4.5 The management plan must be signed by all parties and placed on the Employee's personal file and reviewed annually at the time of any performance review or on an as needs basis.

All documents should be marked "confidential" and access strictly limited to those Employees who need access for official purposes.

5 CONFIDENTIALITY

5.1 Disclosure of Information

- (a) It is Company policy to provide information honestly and openly to those who have a legitimate interest in the Company's operations. In addition to formal reports to regulatory authorities and reports to the public and shareholders required by statute and the NSX Listing Rules, the Company may provide extensive information on its activities by way publications issued by bodies including news media and financial analysts, determined by senior management. The Company operates in a competitive business environment. As such, it would be inappropriate for the Company to disclose information, which if published, might impair its own effectiveness and competitiveness.
- (b) Company documents including circulars, manuals, records and internal communications materials, whether marked 'Confidential' or not, must not be disclosed to outsiders without proper authorisation.

5.2 Continuing obligation

If an Employee leaves employment with the Company, the Employee remains under an obligation to safeguard the privacy of fellow Employees and the confidentiality of the Company's affairs.

6 WORK HEALTH AND SAFETY

- 6.1 All Employees must act in accordance with work health and safety legislation, regulations and policies and must use the security and safety equipment provided.
- 6.2 All Employees are responsible for safety in their work area by:
- (a) following the safety and security directives of management;
 - (b) advising management of areas where there is a potential problem in safety and immediately reporting any breaches of safety legislation, regulations and policies; and
 - (c) minimising risks in the workplace.
- 6.3 Employees are required to comply with the Company's work health and safety policies at all times.

7 DISCRIMINATION AND HARASSMENT

- 7.1 Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.
- 7.2 Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

8 REPORTING OF UNLAWFUL OR UNETHICAL BEHAVIOUR

- 8.1 The Company encourages Employees to report in good faith any suspected or known unlawful or unethical behavior (**whistle-blower**).
- 8.2 Any Employee who is uncertain as to whether an act or omission constitutes unlawful or unethical behavior or who wishes to make a report should contact the Company Secretary.
- 8.3 The Company Secretary will determine what action, if any, should be taken.
- 8.4 The Company Secretary will treat as confidential all such queries and reports except where action is to be taken, in which case the Company Secretary will seek to maintain the confidentiality of the Employee unless the circumstances demand otherwise.

- 8.5 It is a breach of the Code of Conduct for any employee to cause disadvantage to or discriminate against an employee who makes a report under the Code. Examples of disadvantage and discrimination include:
- (a) reprisals, harassment or victimisation;
 - (b) demotion or dismissal or loss of opportunity for promotion; and
 - (c) current or future bias.
- 8.6 The protection that the Company will make available to whistle-blowers will vary depending on the circumstances, but may include:
- (a) ensuring confidentiality in the investigation and protecting the whistle-blower's identity;
 - (b) monitoring and managing the behavior of other employees;
 - (c) offering a leave of absence while a matter is investigated; and/or
 - (d) relocating employees (which may or may not include the whistleblower) to a different work group and rectifying any detriment a whistle-blower has suffered.
- 8.7 Initial investigations of reported breaches will be undertaken by the Company Secretary.

9 RESPONSIBILITIES TO STAKEHOLDERS

- 9.1 The standards of personal and professional behavior applicable to Employees are as follows:
- (a) Employees must act honestly and observe high standards of personal integrity in the course of carrying out their duties;
 - (b) Employees must not knowingly participate in any illegal or unethical arrangements, including without limitation offering any bribe, facilitation payment, secret commission or other unlawful or unethical payment;
 - (c) Employees will treat each other and parties who have an interest in or dealings with the Company with professionalism, courtesy and respect. They will work cooperatively to achieve agreed goals, whilst accepting the obligation to supervise or be supervised in the discharge of their duties. Employees will deal fairly with all parties who have a legitimate business with the Company;
 - (d) Directors and Officers are obliged to exercise sound judgement in their decision-making processes and will not attempt to influence their colleagues improperly in relation to issues or matters where independent judgements is expected of the other person; and

- (e) Directors and Officers who may communicate publicly on material related to the Company's affairs will in general convey the views agreed by the Board. Any views attributed publicly to the Board or the Company should be cleared in advance (preferably by the full Board), but at least by the Chair.

10 RESPONSIBILITIES TO INVESTORS

- 10.1 The Company is committed to providing full, fair and accurate disclosure of financial and other information on a timely basis.

11 PUBLIC AND MEDIA COMMENT

- 11.1 Employees must not make official comment on matters relating to the Company unless they are:
 - (a) authorised to do so, in writing, by the Chief Executive Officer or the Chair;
 - (b) giving evidence in court; or
 - (c) otherwise authorised or compelled to do so by law.
- 11.2 Employees must not release unpublished, confidential or privileged information unless they have the authority to do so from the Chief Executive Officer or the Chair.
- 11.3 The above restrictions apply except where prohibited by law, for example in relation to "whistleblowing".

12 FAIR DEALING

- 12.1 Use of position to seek personal gain

Employees must not use their position within the Company to seek personal gain from those doing business or seeking to do business with the Company, nor accept such gain if offered.
- 12.2 Engagement in activity that may be interpreted as seeking or receiving a bribe secret commission or questionable payment
 - (a) Employees must not engage in any act that could be interpreted as seeking or receiving a bribe, secret commission or other unlawful or unethical payments.
 - (b) Decisions made by Employees in the course of their work must be objective and based upon the best interests of the Company, subject to any applicable overriding duty. Employees should not be influenced by any

consideration of personal gain or gain to any personal associate (eg friend or relative).

- (c) Except as specified below, Employees may not seek or accept gifts, payments, services, fees, pleasure or vacation trips or accommodation, or loans (except normal loans from regular lenders, on conventional terms) from any person, organisation or group that does business or is seeking to do business with the Company, or any of its affiliates, or from a competitor of the Company or any of its affiliates.

12.3 Accepting gifts, services or entertainment

- (a) An Employee may not accept gifts, services or entertainment from individuals or companies doing or seeking to do business with the Company, unless the transaction meets all of the following requirements:
 - (i) it is in keeping with good business ethics;
 - (ii) it is customary and proper under the circumstances and gives no appearance of impropriety;
 - (iii) it serves a valid business purpose;
 - (iv) it does not impose any sense of obligation on the recipient to the donor;
 - (v) it does not result in any kind of special or favoured treatment of the donor;
 - (vi) it cannot be viewed as extravagant, excessive or too frequent considering all of the circumstances;
 - (vii) it does not involve cash payments, gift certificates, credit arrangements of any kind or any item having a value of more than \$100;
 - (viii) It does not involve materials services, repairs or improvements at no cost or at unreasonably low prices; and
 - (ix) There is no effort made to conceal the full facts by either the recipient or the donor.

13 INSIDE INFORMATION AND SECURITIES TRADING

13.1 Inside information

- (a) Employees may come into possession of information (commonly referred to as “inside” information) which is not publicly available and which may have an impact on the price of the Company’s securities. Such information may have been obtained through the Company or its customers. Employees must neither disclose nor use such property or information for personal gain or

for the advantage of third parties. For example, trading in the Company's securities or advising others to do so on the basis of such inside knowledge may constitute insider trading and lead to criminal penalties.

- (b) Employees must exercise the highest degree of caution if they are aware of price-sensitive information. Inside information about the Company's affairs or those of customers must not be used by Staff members for their own gain or that of others. There are serious penalties including imprisonment for contravening insider trading provisions.
- (c) Employees must not use property or information acquired through the Company to cause harm to the Company or its business.
- (d) Employees must comply with the Company's Securities Trading Policy at all times.

13.2 Securities trading

- (a) Trading in the Company's securities by Employees must comply with the Company's Securities Trading Policy and accordingly, should only occur in circumstances where the market is considered to be fully informed of the Company's activities.
- (b) The Company's Securities Trading Policy requires that Employees discuss their intention to trade in the Company's securities with the Chair, or where a Chair is not appointed, the Chief Executive Officer, prior to trading. Management and Employees are expected to act ethically and responsibly. All Board members are qualified professionals within their respective industries, and accordingly are to conduct themselves in a professional and ethical manner in both the normal commercial activities and the discharge of their responsibilities as Directors.
- (c) The obligation to notify the Chair, or where a Chair is not appointed, the Chief Executive Officer, of an intention to trade operates at all times and applies to dealings in the Company's securities by family members and other associates of all Employees, in addition to Employees themselves. Directors and Employees must not buy or sell the Company's securities until approval has been given by the Chair, or where a Chair is not appointed the Chief Executive Officer. The Corporations Act requires a director to notify the NSX within 14 days after any dealing in the Company's securities that results in a change in the relevant interest of the Director in the Company's securities. Employees who are substantial shareholders must give a notice of substantial shareholder, change in substantial shareholding, or ceasing to be a substantial shareholder to the Company within 2 days after they become aware of the information.

14 ADMINISTRATION

- 14.1 Any questions concerning the operation of this Code or as to whether proposed or actual activities may contravene this Code should be referred in writing to the Chair, or where a Chair is not appointed, the Chief Executive Officer, through the Company Secretary.
- 14.2 Circumstances may arise where compliance with this Code may be achieved without strict adherence to the guidelines and where such strict adherence would be unreasonable or result in undue hardship for the Employee. In such circumstances the relevant facts of the matter should be submitted in writing to the Chair, or where a Chair is not appointed, the Chief Executive Officer, through the Company Secretary for a determination.

15 COMPLIANCE

- 15.1 Breaches of this Code may lead to disciplinary action being taken against the relevant Employee including dismissal in serious cases.
- 15.2 In addition, breaches of certain sections of this Code may be punishable under legislation.

16 REPORTING

The Company Secretary will report to the Board every 6 months (or more frequently if appropriate) in respect of non-compliance issues relating to this Code. Material non-compliance with this Code will be reported to the Board immediately.

17 REVIEW

The Board will review this Code annually and this Code may be amended by resolution of the Board.

18 DISCLOSURE OF CODE

This Code, and any updates, will be made available on the Company's website (<http://en.zghtjt.cn/>) in a clearly marked "Corporate Governance" section.

19 DEFINITIONS

General terms and abbreviations used in this Code have the meanings set out below:

Annual Report	means the annual report comprising the annual Directors' Report, financial statements and Notes to the financial statements of the Company and the preliminary annual financial report where released in advance of the final annual report.
ASX	means ASX Limited ACN 008 624 691 or the securities market operated by ASX Limited, as the case may be.
Board	means the board of Directors of the Company.
Chair	means the chair of the Board.
Chief Executive Officer	means the chief executive officer, or equivalent managing director, of the Company.
Code	means this Code of Conduct.
Company	means China Haitong Limited (BVI registration number 1930342) and its controlled entities from time to time.
Company Secretary	means the company secretary of the Company.
Corporations Act	means the <i>Corporations Act 2001 (Cth)</i> .
Director	means a director of the Company.
Directors' Report	means the Directors' report which forms part of the Company's Annual Reports.
Employee	includes executive Directors, managers and all other staff engaged on a contract of employment or a salaried basis, and where the context requires, non-executive Directors.
Notes to the Financial Statements	means the notes to the financial statements which form part of the Company's Annual Report.
NSX	NSX Limited (ABN 98 008 624 691) or the National Securities Exchange (as the context requires).
NSX Listing Rules	means the listing rules of the NSX, as amended from time to time.
Officer	means a senior executive of the Company.