



中国海通
CHINA HAITONG

China Haitong Limited Securities Trading Policy

1 INTRODUCTION

This securities trading policy (**Trading Policy**) is a policy of China Haitong Limited and all of its subsidiaries (**Company**).

This Trading Policy applies to all of the Company's securities, whether on NSX or another stock exchange, and whether or not such securities are created by the Company or issued or created by third parties, including derivatives (**Securities**).

These guidelines set out the Company's Trading Policy on dealing in Securities in the Company by its Key Management Personnel.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

The Company has determined that its Key Management Personnel are its Directors and those employees directly reporting to the Chief Executive Officer/Managing Director.

The Company may also from time to time designate individual employees to whom this Trading Policy applies such that ad hoc trading restrictions may be imposed on employees below Key Management Personnel level where such staff are engaged on price sensitive matters.

Key Management Personnel are encouraged to be long-term holders of the Company's Securities. However, it is important that care is taken in the timing of any purchase or sale of such Securities.

The purpose of these guidelines is to assist Key Management Personnel and others to avoid conduct known as 'insider trading'. In some respects, the Company's Trading Policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth).

2 WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS TRADING POLICY?

This Trading Policy applies to dealings in any Securities of the Company on issue from time to time.

3 WHAT IS INSIDER TRADING?

3.1 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 the Company's Securities (**Price Sensitive Information**); and
- (b) that person:
 - (i) buys or sells Securities in the Company; or
 - (ii) procures someone else to buy or sell Securities in the Company; or
 - (iii) 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 procure someone else to buy or sell the Securities in the Company.

3.2 Absolute Prohibition

Unless expressly exempted in accordance with section 4 of this Trading Policy, no Key Management Personnel may deal in the Company's Securities at any time if that person is in possession of Price Sensitive Information.

3.3 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 materially affect the price of the Company's Securities:

- (a) the Company considering a major acquisition;
- (b) the threat of major litigation against the Company;
- (c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (e.g. new product or technology);

- (f) the grant or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a share issue proposal;
- (i) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; and
- (j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

3.4 Dealing through third parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as **Associates** in these guidelines).

3.5 Information however obtained

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

3.6 Employee share schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

4 GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES

4.1 General rule

Key Management Personnel must not, except in exceptional circumstances, deal in Securities of the Company during the 2 weeks prior to, and 24 hours after, the release of each interim report and full year results of the Company (**Closed Period**).

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Key Management Personnel either before or during the Closed Periods. However, if a Key Management Personnel is in possession of Price Sensitive Information which is not generally available to the market, then he or she must not deal in the Company's Securities at any time.

In addition to the Closed Periods, the Company may impose a restriction on trading by Key Management Personnel for any other period.

4.2 No short-term trading

Key Management Personnel must not engage in short-term trading of the Company's Securities except for the exercise of options where the shares will be sold shortly thereafter.

4.3 No short selling

Key Management Personnel must not engage in short selling of the Company's Securities.

4.4 No hedging of remuneration

Key Management Personnel must not enter into an arrangement if the arrangement would have the effect of limiting their exposure to risk relating to an element of their remuneration that has not vested, or has vested but remains subject to a holding lock.

4.5 Margin lending

Whilst Key Management Personnel are not prohibited from entering into margin lending or other secured financing arrangements in respect of the Company's Securities, Key Management Personnel are required to notify the Chair of any such arrangement at the time of entering into the arrangement.

4.6 Securities in other companies

Trading in securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

4.7 Exceptions

- (a) Key Management Personnel may at any time:
- (i) transfer Securities to or from their spouse, minor child, family company or family trust, or to their superannuation fund, in respect of which prior written clearance has been provided in accordance with the procedures set out in this Trading Policy;
 - (ii) dispose of Securities arising from acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
 - (iii) dispose of rights acquired under a pro rata issue;
 - (iv) acquire Securities under a pro rata issue;
 - (v) acquire Securities under a bonus issue made to all holders of Securities of the same class;

- (vi) acquire Securities under a security purchase plan or a dividend or distribution reinvestment plan where the Key Management Personnel did not commence or amend their participation in the plan during a prohibited period; and the Trading Policy does not permit the Key Management Personnel to withdraw from the plan during a prohibited period other than in exceptional circumstances;
- (vii) (in the case of a Director) obtain a share qualification;
- (viii) acquire Securities under an employee incentive scheme;
- (ix) where the Company has an employee incentive scheme with a Key Management Personnel as a trustee of the scheme, acquire Securities in his or her capacity as a trustee of the scheme;
- (x) where a restricted person is a trustee, deal in the Securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to deal during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (xi) acquire or dispose of Securities under a pre-determined investment or divestment plan for which prior written clearance has been provided in accordance with procedures set out in the Trading Policy and where: the Key Management Personnel did not enter into or amend the plan during a prohibited period; the plan does not permit the Key Management Personnel to exercise any discretion over how, when, or whether to acquire or dispose of Securities; and the Trading Policy does not allow for the cancellation of the plan during a prohibited period other than in exceptional circumstances;
- (xii) engage in indirect and incidental trading that occurs as a consequence of a Key Management Personnel dealing in Securities issued by a managed investment scheme listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio Securities in the Company;
- (xiii) involuntarily dispose of securities resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;

- (xiv) withdraw ordinary shares in the Company held on behalf of the a Key Management Personnel in an employee share plan where the withdrawal is permitted by the rules of that plan;
 - (xv) exercise (but not sell Securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the Security, falls during a prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
 - (xvi) deal under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Trading Policy.
- (b) In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in paragraph 4.1. If this occurs at a time when the person possessed Price Sensitive Information, the sale of Company Securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the Price Sensitive Information that the person possessed and the person may not have made a profit on the sale. Where Company Securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

4.8 Notification of periods when Key Management Personnel are not permitted to deal

The Company Secretary will endeavour to notify all Key Management Personnel of the times when they are not permitted to deal in the Company's Securities as set out in paragraph 4.1.

5 APPROVAL AND NOTIFICATION REQUIREMENTS

5.1 Approval requirements

- (a) Any Key Management Personnel (other than the Chair) wishing to deal in the Company's Securities must obtain the prior written approval of the Chair or the Board before doing so.
- (b) If the Chair wishes to deal in the Company's Securities, the Chair must obtain the prior approval of the Board before doing so.

5.2 Approvals to deal

- (a) All requests to deal in the Company's Securities as referred to in paragraph 5.1 must include the intended volume of Securities and an estimated time frame for the dealing.
- (b) Copies of written approvals must be forwarded to the Company Secretary prior to the approved transaction.
- (c) Approval to deal in the Company's Securities may be withdrawn if new information becomes available or there is a change in circumstances.
- (d) If a request for approval to deal is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.

5.3 Notification

Subsequent to approval obtained in accordance with paragraphs 5.1 and 5.2, any Key Management Personnel who (or through his or her Associates) deals in relation to Company Securities **must** notify the Company Secretary in writing of the details of the transaction within 5 business days of the transaction occurring. This notification obligation **operates at all times** but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

5.4 Key Management Personnel sales of Securities

Key Management Personnel need to be mindful of the market perception associated with any sale of Company Securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company Securities (i.e. a volume that would represent a volume in excess of 10% of the total Securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the NSX for the preceding 20 trading days) by a Key Management Personnel needs to be discussed with the Board and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

5.5 Exemption from Closed Periods restrictions due to exceptional circumstance

Key Management Personnel who are not in possession of Price Sensitive Information in relation to the Company, may be given prior written clearance by the Managing Director (or in the case of the Managing Director by all other members of the Board) to sell or otherwise dispose of Company Securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this Trading Policy.

5.6 Severe financial hardship or exceptional circumstances

The determination of whether a Key Management Personnel is in severe financial hardship will be made by the Managing Director (or in the case of the Managing Director by all other members of the Board).

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

5.7 Financial hardship

Key Management Personnel may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the Securities of the Company.

In the interests of an expedient and informed determination by the Managing Director (or all other members of the Board as the context requires), any application for an exemption allowing the sale of Company Securities in a Closed Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of Securities can be made.

5.8 Exceptional circumstances

Exceptional circumstances may apply to the transfer of Company Securities by a Key Management Personnel if the person is required by a court order, a court enforceable undertaking (for example in a bona fide family settlement), to transfer, or accept a transfer of, Securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the transfer of Company Securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be in writing and shall contain a specified time period during which the transfer of Securities can be made.

6 NOTIFICATION FOR DIRECTORS

The Corporations Act requires a director to notify the NSX within 14 days after any dealing in Company Securities (either personally or through an Associate) which results in a change in the relevant interests of a Director in Company Securities. The Company has made arrangements with each Director to ensure that the

Director is aware of their obligation to promptly disclose to the Company Secretary all the information required by the NSX.

7 SUBSTANTIAL HOLDING NOTICES

The Corporations Act requires substantial holders to give a notice to the Company and to NSX within 2 business days if they begin to have, or cease to have a substantial holding in the company or if they have a substantial holding in the Company and there is a movement of at least 1% in their holding. The Company has made arrangements with each Key Management Personnel to ensure that this requirement is met.

8 EFFECT OF COMPLIANCE WITH THIS TRADING POLICY

Compliance with these guidelines for trading in the Company's Securities does not absolve that individual from complying with the law, which must be the overriding consideration when dealing in the Company's Securities.