

# Share Trading Policy

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Yancoal Australia Limited

ACN 111 859 119

Approved by the Board on 22 February 2019

## 1 Objective

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The purpose of this Policy is to establish a best practice procedure for ensuring the Company's directors and employees do not buy or sell securities during times when the Company is likely to hold unpublished information that could materially affect the price or value of securities.

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board of directors considers that compliance with this Policy is essential to ensure that the highest standards of conduct are being met by all directors and employees.

Any non compliance with this Policy will be regarded as serious misconduct and may entitle the Company to take corrective disciplinary action.

It is important that public confidence in the Company is maintained. It would be damaging to the Company's reputation if the market or the general public perceived that personnel might be taking advantage of their position in the Company to make financial gains (by dealing in securities on the basis of inside information).

As a guiding principle, Relevant Persons should ask themselves:

*"If the market was aware of all the current circumstances, could the proposed dealing be perceived by the market as the Relevant Person taking advantage of his or her position in an inappropriate way? How would it look if the transaction were reported on the front page of the newspaper?"* (the **Front Page Test**).

If a Relevant Person is unsure, he or she should consult the Company Secretary and Group Counsel.

Clearance for a trade which is sought in accordance with this Policy will not be provided where the trade would not satisfy the Front Page Test.

This Policy should be read in conjunction with the Company's Insider Trading Policy.

## 2 Scope

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(a) This Policy applies to:

- (i) all directors and officers of the Company and its subsidiaries (**Group**) (**Directors**) (including the Chair of the Board (**Chair**), Chief Executive Officer (**CEO**), Chief Financial Officer (**CFO**) and Chair of the Executive Committee (**CEC**));
- (ii) all members of the Executive Committee and all General Managers based in the Company's Sydney corporate office; and
- (iii) employees of the Group who have been told by the Company Secretary or Group Counsel / General Counsel that this Policy apply to them (**Designated Employees**),

(In this Policy, a person listed in this section 2(a) is referred to as a **Relevant Person**).

(b) Where this Policy requires a Relevant Person to comply with certain restrictions and procedures, that Relevant Person must ensure that:

- (i) his or her spouse, partner or other person with whom he or she lives as if he or she were a spouse;

- (ii) his or her children (natural or adopted) and stepchildren aged 18 or younger of him or her or of his or her spouse;
- (iii) any person with whom he or she has an agreement or arrangement:
  - (A) with respect to dealing in the Company's securities; or
  - (B) under which he or she undertook to act together in exercising his or her voting power at general meetings of the Company

(referred to as **Affiliates**);

- (c) a corporation in which he or she controls, or his or her Affiliates are entitled to exercise or controls the exercise of one-third or more of the voting power at general meetings of the corporation or any corporation which is accustomed to acting or whose directors are accustomed to acting in accordance with the directions of him or her, or his or her Affiliates, and any of its subsidiaries;
- (d) a trust if:
  - (i) he or she is, or his or her Affiliates are, a beneficiary;
  - (ii) he or she is a founder of a discretionary trust with the ability to exert any influence over the trustee; or
  - (iii) he or she is a trustee, other than a trust of which:
    - (A) he or she is a bare trustee (i.e. a trustee with no powers or duties except to transfer the shares according to the directions of the beneficial owners), or
    - (B) he or she is a co-trustee and has not participated in or influenced the decision to deal in the securities,

and of which neither he or she, nor any of his or her Affiliates, are beneficiaries; and

- (e) such other persons as the Company Secretary may notify him or her from time to time

(collectively referred to as **Related Persons**)

comply with the same restrictions and procedures in the Policy that the Relevant Person is required to comply with in respect of any proposed dealings in the Company's securities.

- (f) To the extent that a director of the Company places investment funds comprising the Company's securities under professional management, discretionary or otherwise, that director is required to ensure that the manager of each such investment fund (**Nominated Fund Manager**) complies with the same restrictions and procedures in the Policy that the director is required to comply with in respect of any proposed dealings in the Company's securities.
- (g) Relevant Persons are also subject to further restrictions under the Insider Trading Policy, which prohibits the types of dealing in securities that are prohibited under *Corporations Act 2001* (Cth) (**Corporations Act**). You should be aware of your obligations under the Insider Trading Policy, which are in addition to those under this Share Trading Policy.

## 3 Statement

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### 3.1 Do not deal if in possession of inside information

- (a) A Relevant Person:
- (i) must not deal in the Company's securities if:
    - (A) he or she is in possession of 'inside information' in relation to those securities;
    - (B) the Company is in possession of 'inside information' and has notified the Relevant Person that they must not deal in securities (either for a specified period, or until the Company gives further notice); or
    - (C) he or she is otherwise prohibited from dealing in the Company's securities; and
  - (ii) must not deal in the securities of Yanzhou Coal Mining Company Limited (**Yanzhou**) or another listed company if he or she is in possession of 'inside information' in relation to those securities (including by virtue of his or her position as a director of any company).
- (b) The prohibition in paragraph 3.1(a) applies even where a Relevant Person obtains prior approval or provides notification of a trade in accordance with section 4 of this Policy.
- (c) Dealing in securities is a broad concept and covers more than simply buying or selling securities and extends to the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of options over securities and procuring and entering into agreements to subscribe for, buy, sell or pledge, change or create any other security interest in securities, except where otherwise provided in this Policy.
- (d) 'Securities' include:
- (i) any share in a company;
  - (ii) an option over an unissued share in, a company; and
  - (iii) a renounceable or unrenounceable right to subscribe for a share in a company.
- (e) The Company's Insider Trading Policy sets out further guidance as to what constitutes 'inside' or 'price sensitive' information and a dealing in securities. You should read the Insider Trading Policy carefully.

### 3.2 Do not deal during blackout periods

- (a) Blackout periods
- (i) Relevant Persons must not deal in the securities of the Company or Yanzhou during any of the following blackout periods:
    - (A) the period from the close of trading on the Australian Securities Exchange (**ASX**) and the Hong Kong Stock Exchange (**HKEX**) on 31 December each year, or if that date is not a trading day, the last trading day before that day, until the day following

the announcement to ASX and HKEX of the preliminary final statement or full year results<sup>1</sup>;

- (B) the period from the close of trading on 30 June each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement of the half-yearly results<sup>2</sup>;
- (C) the period from the close of trading on 31 March, or if that date is not a trading day, the last trading day before that day, until the day following the release of the relevant quarterly report and/or publication date of the quarterly results (if any)<sup>2</sup>;
- (D) the period from the close of trading on 30 September, or if that date is not a trading day, the last trading day before that day, until the day following the release of the relevant quarterly report and/or publication date of the quarterly results (if any)<sup>2</sup>; and
- (E) any other period that the Board specifies from time to time,

(each, a **Blackout Period**).

- (ii) For the avoidance of doubt, during a Blackout Period, a Relevant Person must not deal in financial products issued or created over or in respect of the Company's or Yanzhou's securities.
- (iii) The Company Secretary must notify the HKEX in advance of the commencement of a Blackout Period.

(b) Exceptional circumstances

- (i) If a Relevant Person needs to deal in the Company's securities or the securities of Yanzhou during a Blackout Period, does not possess inside information and yet his or her dealing is prohibited by section 3.2(a) of this Policy, then the Relevant Person may in exceptional circumstances apply to:
  - (A) the Chair (if the Relevant Person is a director of the Company (other than the Chair), an officer or a senior executive or one of their Related Persons); or
  - (B) (if the Relevant Person is the Chair or one of his or her Related Persons) the Chair must inform and obtain approval from either:
    - (1) the Board at a Board meeting;
    - (2) the Chair of the Audit and Risk Management Committee;
    - (3) if the Chair is also the chair of the Audit and Risk Management Committee, then the chair of another standing board constituted under the Company's constitution; or
    - (4) a delegate of the above

for the specific purpose of obtaining a waiver from compliance with the provisions of section 3.2(a), before a transaction is undertaken

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<sup>1</sup> For the avoidance of doubt, for HKEX purposes, this blackout period is the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results.

<sup>2</sup> For the avoidance of doubt, for HKEX purposes, this blackout period is the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(the **approver**).

- (ii) 'Exceptional circumstances' for these purposes includes severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the approver provided always that it does not include circumstances where the Relevant Person possesses inside information.
- (iii) Relevant Persons seeking a waiver under this section must apply in writing to the Chair, the Chair of the Audit and Risk Management Committee, or CEO (as relevant) setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason the waiver is requested.
- (iv) In his or her own case and in the case of his or her Related Persons, the Chair must inform and obtain approval from either
  - (A) the Board at a Board meeting;
  - (B) the Chair of the Audit and Risk Management Committee;
  - (C) if the Chair is also the chair of the Audit and Risk Management Committee, then the chair of another standing board constituted under the Company's constitution; or
  - (D) a delegate of the above

for the specific purpose of obtaining a waiver from compliance with the provisions of section 3.2(a), before a transaction is undertaken.

- (v) A waiver will only be granted if the Relevant Person's application is accompanied by sufficient evidence (in the opinion of the approver) that the dealing of the relevant securities is the only reasonable course of action available in the circumstances. The person providing clearance should consult with members of management where appropriate to determine if there is any reason (legal or reputational) why approval to deal should not be granted.
- (vi) The requirements set out in this section 4.1(b) apply to the waiver application.
- (vii) If a waiver is granted, the Relevant Person will be notified in writing (which may include notification via email) within 5 business days of the request being made and in each circumstance the duration of the waiver to deal in securities will be 1 business day following the waiver being received. After this time, the waiver will no longer have effect and a new waiver application will be required.
- (viii) The Relevant Person must not deal in any securities of the Company without first notifying the relevant approver and receiving a dated written waiver.
- (ix) If a written waiver to deal in securities of the Company during a Blackout Period is issued to a Relevant Person who has made an application in accordance with this section 4.1(b), the Company shall:
  - (A) give written notice of the relevant pre-approved dealing to the HKEX as soon as practicable stating why the circumstances were considered to be exceptional; and
  - (B) issue an announcement immediately after the completion of any such pre-approved dealing, stating that the Chair or the designated approver of the

Company was satisfied that there were exceptional circumstances for the dealing by the Relevant Person.

- (x) Unless otherwise specified in the notice, any dealing permitted under this section 3.2(b) must comply with the other sections of this Policy (to the extent applicable).

### **3.3 Do not sell within 3 months of buying**

- (a) Relevant Persons must not deal in the Company's securities on a short term trading basis. Short term trading includes buying and selling securities on market within a 3 month period, and entering into other short term dealings (for example, forward contracts).

### **3.4 Do not short sell**

- (a) Relevant Persons must not enter into any arrangements for short selling the Company's securities.
- (b) "Short selling" refers to the practice of attempting to profit from an anticipated drop in the price of the Company's securities by borrowing securities and selling them in anticipation of later being able to buy the securities at a lower price to close out their short position at a profit.

## **4 Application**

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### **4.1 Directors, CEO and CFO – prior approval required**

- (a) Subject to section 3.1, each director of the Company (including the CEC), the CEO and the CFO (and their Related Persons) must obtain prior approval for his or her proposed dealing in the Company's or Yanzhou's securities outside a Blackout Period as follows:
  - (i) the Chair must inform and obtain approval from either:
    - (A) the Board at a Board meeting;
    - (B) the Chair of the Audit and Risk Management Committee;
    - (C) if the Chair is also the chair of the Audit and Risk Management Committee, then the chair of another standing board constituted under the Company's constitution; or
    - (D) a delegate of the abovefor the specific purpose of obtaining a waiver from compliance with the provisions of section 3.2(a), before a transaction is undertaken; and
  - (ii) any other director of the Company (including the CEC), the CEO and the CFO must inform and receive approval from the Chair before a transaction is undertaken.
- (b) Subject to section 3.1, each member of the Executive Committee or General Manager based in the Sydney corporate office and the Designated Employees must inform and obtain the approval of either the Company Secretary or Group Counsel / General Counsel for the specific purpose of obtaining a waiver from compliance with the provisions of section 3.2(a), before a transaction is undertaken.
- (c) The following rules apply to the application for approval to deal:

- (i) the relevant approver can determine that a waiver will or will not be given at their discretion, without giving any reasons for the decision;
  - (ii) any waiver granted can be withdrawn if new information comes to light or there is a change in the circumstances which means that granting the waiver is no longer appropriate;
  - (iii) the Company's decision to refuse to grant a waiver is final and binding on the Relevant Person; and
  - (iv) if the relevant approver decides not to grant a waiver, the Relevant Person must keep the outcome of their application confidential.
- (d) The Relevant Person must undertake the proposed dealing within 2 business days of approval being received (or within any other period specified in the approval, with such period being no longer than 5 business days following the approval being received). If the dealing is not undertaken within this time, the notification will no longer have effect and new notification or approval will be required in accordance with section 4.1(a) before the proposed dealing may be undertaken.
- (e) Upon notification of approval, a director (including the CEC), the CEO or the CFO may undertake the proposed dealing. The director, CEO or CFO (as the case may be) must confirm any such dealings with the appropriate person (as listed above) within 1 business day of the dealing.

## **4.2 Maintenance of register**

- (a) The Company Secretary must maintain a register of all approvals, notifications and waivers provided under sections 3.2(b) and 4.1.
- (b) The Company Secretary will ensure that the register maintained in accordance with section 4.2(a) is available for inspection at every meeting of the Board.

## **4.3 Third party notification obligations**

- (a) A director of the Company who acts as a trustee of a trust must inform his or her co-trustees of any directorships he or she holds, and of the duty to comply with this Policy.
- (b) A director of the Company having funds under management must advise the Nominated Fund Manager of any directorships he or she holds, and of the duty to comply with this Policy.
- (c) A director of the Company who is a beneficiary of a trust dealing in the Company's securities (**Relevant Trust**) must:
  - (i) procure that the trustees of the Relevant Trust notify him or her as soon as practicable after having dealt in such securities on behalf of the Relevant Trust; and
  - (ii) notify the Company of such dealing as soon as practicable following a notification under paragraph 4.3(c)(i) above.
- (d) As soon as practicable after executing an approved dealing in respect of the Company's securities and in any event, no later than the next business day (excluding a Saturday) after such execution, a Relevant Person must inform the Company Secretary of the details of the approved dealing and make relevant disclosure of interests filings to the HKEX.

#### **4.4 Margin lending arrangements**

- (a) A Relevant Person must not use the Company's securities to support a margin lending arrangement.

#### **4.5 Hedging of the Company's securities**

- (a) A Relevant Person must not engage in any Hedging Transactions with respect to the Company's securities except in compliance with the conditions set out below.
- (b) In this section 4.5, "Hedging Transactions" includes entering into transactions in financial products that operate to limit the economic risk associated with holding the Company's securities, and includes trading in any derivatives relating to the Company's securities.
- (c) Hedging of the Company's securities by a Relevant Person is subject to the following overriding prohibitions:
  - (1) the hedge transaction must not be entered into, renewed, altered or closed out when the Relevant Person is in possession of inside information;
  - (2) Company securities must never be hedged prior to the vesting of those Company securities. In particular, Relevant Persons are prohibited from entering into any hedge transaction involving unvested equity held pursuant to any employee, executive or director equity plan operated by the Company; and
  - (3) Company securities must never be hedged while they are subject to a holding lock or restriction on dealing under the terms of any employee, executive or director equity plan operated by the Company.
- (d) Relevant Persons are permitted to hedge their vested and unrestricted Company securities in circumstances other than those specified in section 4.5(c) on the following conditions:
  - (1) the hedge transaction is treated as a dealing in Company securities for the purposes of this Policy, and the relevant approvals and notifications are made on this basis; and
  - (2) the relevant requirements under section 4.1 of this Policy has been satisfied.
- (e) Where a Relevant Person enters into a hedging arrangement in respect of Company securities, the Company may, where appropriate, disclose the fact and nature of the hedge (e.g. in its annual report or to ASX or HKEX).

#### **4.6 Exclusions**

Sections 3.2 and 4.1 to 4.5 of this Policy do not apply to:

- (a) the taking up of entitlements (or allowing them to lapse) under a rights, bonus or capitalisation issue made by the Company or Yanzhou, including an offer of shares in lieu of a cash dividend (although disposals or transfers to another person or applications for excess entitlements would be subject to this Policy);
- (b) the exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with the Company or Yanzhou before a period during which dealing is prohibited under this Policy at a price fixed at the time of grant or acceptance, including the vesting or exercise of options, restricted share units or share appreciation rights granted under an approved share incentive scheme of the Company or Yanzhou;
- (c) (subject to paragraph (b) above) participation in an employee, executive or director equity plan operated by the Company or Yanzhou (e.g. applying for an allocation of securities under an employee equity plan offer or the exercise of vested options). However, where securities in the

Company or securities in Yanzhou granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;

- (d) dealings that result in no effective change to the beneficial interest in Company securities or Yanzhou securities, including but not limited to:
  - (i) transfers of Company securities or Yanzhou securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary;
  - (ii) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in securities of the Company or securities of Yanzhou) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (e) undertakings to accept, or the acceptance of, a takeover offer for the Company's securities;
- (f) dealings where the beneficial ownership in the Company's securities is transferred from another party by operation of law, e.g. upon death; and

however, such dealings are still subject to section 3.1 of this Policy where applicable.

#### **4.7 Breach**

- (a) Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Company, including criminal or civil liability. For further information regarding insider trading, see the Insider Trading Policy.
- (b) Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.
- (c) Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.
- (d) Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

## **5 Responsibilities**

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### **5.1 Securities in other companies**

- (a) While in general, the Group's personnel are free to deal in securities in other listed companies, the Corporations Act prohibits dealings not only in the Company's securities but also in those of other listed companies with which the Company may be dealing (including the Group's customers, contractors or business partners) where a member of the Group's personnel possesses 'inside information' in relation to that other company.
- (b) See the Company's Insider Trading Policy for further details regarding your responsibilities.

### **5.2 Additional obligations**

In addition to complying with the requirements and restrictions on dealing contained in this Policy, a Director must declare and certify at the end of each financial year to the Company, that for the duration of that financial year (a) he or she has, and (b) his or her Related Persons have, to the extent applicable, complied with:

- (a) this Policy; and

- (b) the Company's Insider Trading Policy

and the Company Secretary will maintain records of the completed declaration forms.

### **5.3 Disclosure by Company**

The Company must disclose in the Corporate Governance Report contained in its annual report and in its interim reports:

- (a) that it has adopted this Policy, being a policy regarding security transactions by the Company's directors on no less exacting terms than those required by the Appendix 10 to the Listing Rules of the HKEX (the **Model Code**);
- (b) whether, having made specific enquiry of all directors of the Company, that the directors have complied with this Policy and the Model Code; and
- (c) in the event of any non-compliance with this Policy, details of the non-compliance and an explanation of remedial steps taken to address the non-compliance.

## **6 Management**

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### **6.1 Maintenance**

This Policy is maintained and reviewed by the Company Secretary and Group Counsel.

### **6.2 Communication**

This Policy is available on the Yancoal intranet and on the Company's website [www.yancoal.com.au](http://www.yancoal.com.au).

### **6.3 Monitoring**

This Policy will be monitored for compliance by the Company Secretary and the Legal and Compliance Team.

### **6.4 Reporting**

Any personnel who have queries about this Policy should contact the Company Secretary.

Any breaches of this Policy should also be directed at the Company Secretary.

## **7 Control**

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### **7.1 Amendments**

Subject to and after receiving Board approval for an amendment, this Policy can only be amended by the Company Secretary, a member of the Legal and Compliance Team and Group Counsel.

### **7.2 Approval**

This Policy and any amendment to it must be approved by the Board.

This Policy was approved by the Board on 22 February 2019.

### **7.3 Effective Date**

This Policy comes into effect from the date it is approved by the Board.