

Share Trading Policy

Yancoal Australia Limited

ACN 111 859 119

Adopted by the Board on 29 February 2016

1 Objective

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the Company's directors and employees do not buy or sell securities during times when the Company is likely to hold unpublished information that could materially affect the price or value of securities.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 General 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.

2 Scope

This Policy applies to:

- all directors and officers of the Group (including the Chief Executive Officer (**CEO**) and Chair of the Executive Committee (**CEC**));
- all direct reports to the CEO and CEC (senior executives);
- all participants in any share or option scheme offered by the Group;
- all employees and consultants working in the Group's Sydney office;
- any other key management personnel as defined in the Accounting Standards; (collectively, **Personnel**); and
- closely related parties (as defined in the Corporations Act) of Personnel (referred to as **Connected Persons**)

In this Policy, a person listed above is referred to as a Relevant Person.

Where this Policy requires a Relevant Person to do an act or thing (for example, obtain permission in accordance with section 4.3), the relevant Personnel must do that act or thing in respect of his or her Connected Persons.

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

3.1 Do not deal if in possession of inside information

A Relevant Person must not deal in the Group's securities if:

- he or she is in possession of 'inside information'; or
- the Company is in possession of 'inside information' and has notified Relevant Persons that they must not deal in securities (either for a specified period, or until the Company gives further notice).

This prohibition applies even where a Relevant Person obtains prior approval or provides notification of a trade in accordance with section 4 of this Policy.

Dealing in securities is a broad concept and covers more than simply buying or selling securities. 'Securities' include:

- any share in the Company;
- an option over an unissued share in, the Company; and
- a renounceable or unrenounceable right to subscribe for a share in the Company.

The concept of 'dealing' extends to exercising options over securities and procuring and entering into agreements to subscribe for, buy or sell securities.

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

Relevant Persons must not deal in the securities of the Company or Yanzhou Coal Mining Company Limited (**Yanzhou**) during any of the following blackout periods:

- the period from the close of trading on the ASX 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 of the preliminary final statement or full year results;
- 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;
- 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;
- 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;
- any other period that the Board specifies from time to time.

For the avoidance of doubt, during the above periods Relevant Persons **must not** deal in financial products issued or created over or in respect of the Company's or Yanzhou's securities.

(b) **Exceptional circumstances**

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:

- the Chair or Vice-Chair of the Board (if the Relevant Person is a director (other than the Chair or Vice-Chair of the Board), an officer or a senior executive (including the CEO) or one of their Connected Persons);
- the Chair of the Audit and Risk Management Committee (if the Relevant Person is the Chair or Vice-Chair of the Board or one of his or her Connected Persons); or
- the CEO (in the case of other Relevant Persons); or
- the delegate of the above
(the **approver**)

for a waiver from compliance with the provisions of section 3.2(a).

'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.

Relevant Persons seeking a waiver under this section must apply in writing to the Chair or Vice-Chair of the Board, 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. 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.

The requirements set out in section 4.1(b) apply to the waiver application.

If a waiver is granted, the Relevant Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to deal in securities will be 1 business day. After this time, the waiver will no longer have effect and a new waiver application will be required.

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

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

4.1 Directors and CEO – prior approval required

- (a) Subject to section 3.1, each director (including the CEC) and the CEO (and their Connected Persons) must obtain prior written approval for his or her proposed dealing in the Company’s or Yanzhou’s securities outside the blackout periods referred to in section 3.2(a) as follows:
- the Chair of the Board must inform and obtain approval from the Board or the Chair of the Audit and Risk Management Committee before a transaction is undertaken; and
 - any other director of the Company (including the CEO and CEC) must inform and receive approval from the Chair of the Board before a transaction is undertaken.
- (b) The following rules apply to the application for approval to deal:
- the relevant approver can determine that a waiver will or will not be given at their discretion, without giving any reasons for the decision;
 - 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;
 - the Company’s decision to refuse to grant a waiver is final and binding on the Relevant Person; and
 - if the relevant approver decides not to grant a waiver, the Relevant Person must keep the outcome of their application confidential.
- (c) The Relevant Person must undertake the proposed dealing within 2 business day of approval being granted (or within such other period specified in the approval). 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.
- (d) Upon notification of approval, a director (including the CEC) or the CEO may undertake the proposed dealing. The director or CEO (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 Other Relevant Persons – notification required

- (a) Subject to section 3.1, where a Relevant Person other than a director or the CEO (or his or her Connected Persons) deals in the Company’s securities, the Relevant Person must notify the Company Secretary of any such dealing within 2 business days of the relevant dealing occurring.

4.3 Margin lending arrangements

- (a) Any dealing in the Company’s securities by Relevant Persons pursuant to a margin lending arrangement must be conducted in accordance with this Policy. Such dealings will include:

- (1) entering into a margin lending arrangement in respect of the Company's securities;
 - (2) transferring securities in the Company into an existing margin loan account; and
 - (3) selling securities in the Company to satisfy a call pursuant to a margin loan.
- (b) Directors and senior executives (including the CEO and CEC) must obtain approval in accordance with the procedure set out in section 4.1 for any proposed dealing in the Company's securities in connection with a margin lending arrangement, irrespective of any trading window.
 - (c) The Company may, at its discretion, make any approval granted in accordance with section 4.3(b) conditional upon such terms and conditions as the Company sees fit (for example, with regard to the circumstances in which the Company's securities may be sold to satisfy a margin call).

4.4 Hedging of company securities

- (a) Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.
- (b) 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.
- (c) Relevant Persons are permitted to hedge their vested and unrestricted Company securities in circumstances other than those specified in section 4.4(b) 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 sections 4.1 and 4.2 of this Policy have been satisfied.
- (d) 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).

4.5 Exclusions

Sections 3.2 and 4.1 to 4.4 of this Policy do not apply to:

- (a) 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;

- (b) the following categories of passive trades:
- acquisition of Company securities or Yanzhou securities through a dividend reinvestment plan, where the Relevant Person did not enter into the plan or amend their participation in the plan during a blackout period and they do not withdraw from the plan during a blackout period, other than in exceptional circumstances;
 - acquisition of Company securities or Yanzhou securities through a share purchase plan available to all retail shareholders, where the Relevant Person did not enter into the plan or amend their participation in the plan during a blackout period and they do not withdraw from the plan during a blackout period, other than in exceptional circumstances;
 - acquisition of Company securities or Yanzhou securities through a pro rata rights issue; and
 - the disposal of Company securities or Yanzhou securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) dealings that result in no effective change to the beneficial interest in Company securities or Yanzhou securities, including but not limited to:
- transfers of Company securities or Yanzhou securities already held into a superannuation fund or trust of which the Relevant Person is a beneficiary;
 - 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;
- (d) where a Relevant Person is a trustee, trading in Company securities or Yanzhou securities by that trust provided that the Relevant Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) trading under a pre-approved non-discretionary trading plan, where the Relevant Person did not enter into the plan or amend the plan during a blackout period, the plan does not permit the Relevant Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances; and
- (g) subject to section 4.3, a disposal of securities of the Company or the securities of Yanzhou that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement.

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

4.6 Breach

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.

Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

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.

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

5.1 Securities in other companies

While in general 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 Personnel possesses 'inside information' in relation to that other company.

See the Company's Insider Trading Policy for further details regarding your responsibilities.

6 Management

6.1 Maintenance

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

6.2 Communication

This Policy is available on the Yancoal Management System and on the Company's website www.yancoal.com.au.

6.3 Monitoring

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

6.4 Reporting

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

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 Compliance Team and General 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 29 February 2016.

7.3 Effective Date

This Policy comes into effect on 29 February 2016.