



ABN: 17 107 492 517

## **CORPORATE GOVERNANCE**

### **Securities Trading Policy**

#### **1. Introduction**

The Employees and Directors of Iron Ore Holdings Limited (“IOH”) may have in their possession, sensitive commercial information which could materially affect the value of IOH securities. The Corporations Act 2001(CA) prohibits insider trading in relation to financial products including securities. The provisions are wide ranging and breaches are serious offences.

This document:

- (a) provides an outline of the insider trading and other relevant provisions of the Corporations Act;
- (b) sets out the rules relating to dealings by Employees and Directors in securities issued by IOH;

This policy is designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. Ultimately it is the responsibility of the Employee and Director to ensure that none of his or her dealings could constitute insider trading.

#### **2. Insider Trading Prohibition**

##### **2.1 The Nature of the Prohibition**

Under the Corporations Act, a person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public; and
- (b) that information may have a material effect on the price or value of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of securities.

In addition, a person with inside information must not procure another person to deal in IOH’s securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in IOH’s securities.

## 2.2 How You Become Aware of the Information is Irrelevant

It is irrelevant how or in what capacity the person comes into possession of the information. This means that S 1043A will apply to any Employee or Director who acquires “inside information” in relation to IOH securities, no matter in which capacity and is prohibited from dealing in those securities.

## 2.3 What Does Information Include?

For the purposes of the insider trading provisions of the *Corporations Act*, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions of a person.

## 2.4 Information that might Materially affect Price or Value?

Means information that a reasonable person would expect to have a material effect on the price or value of IOH securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so.

Examples of this type of information which might affect the price or value of IOH securities include:

- (a) information relating the IOH’s exploration activities or results of exploration activities;
- (b) proposed changes in capital structure, capital returns and buy backs;
- (c) information relating to IOH’s financial results;
- (d) the entering into, or withdrawing from a joint venture, farmin or other such arrangement;
- (e) a material acquisition, divestment or realisation of assets;
- (f) proposed dividends and share issues;
- (g) changes to the board;
- (h) possible events which could have a material impact on profits (negatively or positively) e.g, loss of a major customer;
- (i) proposed changes in the nature of the business of IOH;
- (j) notification to IOH of a substantial shareholding; and
- (k) any information required to be announced to the market pursuant to Listing Rule 3.1.

## 3. Dealing in Securities Issued by IOH

### 3.1 When Dealing may Occur

- (a) Directors, the Company Secretary and Employees must receive clearance for any proposed dealing in IOH’s securities on the ASX as follows:
  - (1) a Director and the Company Secretary of IOH must use reasonable endeavours to inform and receive approval from the Chairman (or,

if not available, the Managing Director, or, if not available, another director) prior to undertaking a transaction; and

- (2) the Chairman must use reasonable endeavours to obtain approval from the Board, the Managing Director (or if neither is available, from another Director), prior to undertaking a transaction; and
- (3) Employees must inform and receive approval from the Managing Director (or, if not available, from the Company Secretary), prior to undertaking a transaction.

It is intended that a request will be answered within 48 hours.

- (b) Subject to Clause 3.1(a) Directors, the Company Secretary or Employees may buy or sell IOH's securities on the ASX during a "Trading Window" being a period of 60 days commencing 48 hours following:
  - (1) the announcement of half-yearly results;
  - (2) the announcement of annual results; or
  - (3) the holding of the Annual General Meeting.

In addition to trading permitted within the Trading Windows, subject to compliance with Clause 3.1(a) transactions may also be allowed at other times.

- (c) If clearance is not obtained in accordance with Clause 3.1(a) at the time of making the request the Director, Company Secretary or Employee shall be advised by the relevant approval level person when trading is permitted in IOH securities.
- (d) Employees, Directors and the Company Secretary may also buy or sell IOH's securities during the period that IOH has a current prospectus or other form of disclosure document on issue pursuant to which persons may subscribe for securities.

EXCEPT where the Employee is in possession of price sensitive information or where IOH is in possession of price sensitive information and IOH has notified the Employee that they may not buy or sell securities.

### 3.2 Prohibition on Short Term Dealing

Employees may not deal in IOH's securities on a "short-term" basis. That is Employees may not buy and sell securities within a three month period. In addition, Employees may not enter into any other short term dealings (for example, forward contracts) except with the approval of the Chairman.

### 3.3 Exercise of Options

Options may be exercised at any time in accordance with their terms of issue, unless the Employee is in possession of price sensitive information which is not known to IOH.

In addition, any dealings in securities acquired upon exercise of options must only occur in accordance with these guidelines.

### 3.4 Confirmation of Dealing that has Occurred

IOH may require an Employee to provide confirmation of dealing in IOH securities by an Employee or his/her associate(s).

### 3.5 Director Requirement to Report to the Market – Listing Rule 3.19A

Directors are required to provide details of all changes to their interest in IOH securities registered in the name of the Director or held on behalf of the Director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame agreed with Company Secretary which allows for compliance with the listing rule obligations.

## 4. **Related Parties and Relevant Interests**

The restrictions on dealings by an Employee or Director are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, he or she is or is to be treated as interested. For example, if an Employee or Director is a trustee of a trust and is also a beneficiary of the trust, the Employee or Director must not trade in IOH securities on behalf of the trust without reference to this policy.

It is the duty of the Employee and Director to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

## 5. **Dealing in Securities of other Companies**

Whilst dealing in securities in other listed companies is allowable, the prohibited conduct under the *Corporations Act* includes dealings in securities of IOH as well as of other listed companies with which IOH may be dealing (such as IOHs joint venture partners) where an Employee possesses “inside information” in relation to that other company.

That is, if you are aware of information that is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security, you should not deal in the securities of the companies that it affects. For example, where you are aware that IOH is about to sign a major agreement with another company, you should not buy securities in either IOH or the other company.

## 6. **Conclusion**

Compliance with the rules set out in this document is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both. Failure to comply with this policy could have a damaging impact on perception of IOH within the investment community.

**Dated: 21 February 2010**