

Section 2

Corporate Governance Charter

Securities Trading Policy

January 2013

1 GENERALLY

1.1 The China Integrated Media Corporation Limited Securities Trading Policy regulates dealings in shares and other securities issued by China Integrated Media Corporation Limited by:

- (a) directors and employees of CIMC; and
- (b) directors and key management personnel of each of CIMC's wholly owned subsidiaries, (in this Policy, referred to as **restricted persons**).

1.1 In order to preserve the reputation and integrity of CIMC, it is vital that when people associated with CIMC deal in CIMC's securities those dealings are not only fair, but are seen to be fair. When restricted persons deal in securities of CIMC they must be sure that it does not reflect improperly on them or CIMC.

1.2 The rationale for the Policy is to ensure that restricted persons are aware of the legal restrictions on trading CIMC securities while a person is in possession of unpublished CIMC price-sensitive information and to impose certain closed periods during which trading is prima facie prohibited.

2 STANDARDS

2.1 All restricted persons should ensure that all transactions in CIMC shares or other CIMC securities which may be issued from time to time by CIMC (**CIMC shares**) comply with:

- (a) the Corporations Act 2001 and Regulations (particularly the insider trading provisions); and
- (b) the ASX Limited Listing Rules (particularly the continuous disclosure requirements in Listing Rule 3.1 and the disclosure of the director's interests in accordance with Listing Rule 3.19A).

3 THE INSIDER TRADING PROVISIONS

3.1 The insider trading provisions of the Corporations Act (**Insider Trading Provisions**) operate to prohibit a person (which includes a company) in possession of "inside information" about financial products (including shares) from:

- (a) applying for, acquiring or disposing of those financial products (or entering into an agreement to do so) (the trading offence);
- (b) "procuring" another person to do any of the things set out in paragraph (i) (the procuring offence); and
- (c) in some cases where the financial products are able to be traded on a financial market, merely communicating the information.

3.2 A person will be taken to have **procured** another if that person incites, induces, or encourages or causes an act or omission by another person.

"Inside information", is information which is not "generally available" and information which a reasonable person would expect to have a "material effect on the price" or value of the particular financial products in question.

4 RESTRICTIONS ON TRADING AND DEALING

4.1. General restrictions

Restricted persons:

- (a) must not engage in short term trading of any CIMC shares (ie. buy shares with an intention to sell shares within a 12 month period); and
- (b) must not, despite anything to the contrary in this Policy, trade in any CIMC shares while that person is in possession of inside information.

4.2. Specific restrictions

Restricted persons who hold CIMC shares under an incentive plan offered by CIMC from time to time, must not, without the prior consent in writing of CIMC, sell, create a security interest in, or otherwise dispose or deal with their CIMC shares or any of their interests in any of those CIMC shares.

5 CLOSED PERIODS FOR TRADING

5.1 Subject to paragraph 6 below, restricted persons must not trade in CIMC's shares during the following 'closed periods':

- (a) 1 July up to and including the day on which CIMC's half year results are released; and
- (b) 1 January up to and including the day on which CIMC's full year results are released.

6 EXEMPTIONS

6.1. Excluded trading

6.1.1 A restricted person may trade in CIMC shares during a closed period if that trading falls within one of the following categories of "excluded trading":

- (a) transfers of CIMC shares already held from a restricted person's own name into a superannuation fund to which the restricted person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in CIMC shares) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) undertakings to accept, or the acceptance of, a takeover offer;
- (d) trading under an offer or invitation made to all or most of CIMC's members such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- (e) a disposal of CIMC shares that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; or
- (f) trading under any CIMC employee incentive scheme in accordance with the rules of a Board approved Incentive Plan.

6.2. Trading with consent

A restricted person may trade in CIMC shares during a closed period if that person obtains written permission to do so in accordance with paragraph 6.3.

6.3. Procedure for obtaining written consent to trade

- (a) A restricted person who wishes to trade in CIMC shares during a closed period (**Applicant**) must obtain the prior written permission (whether by letter, facsimile, electronic or other form of visible communication) of:
 - (i) the Chairman and the Chief Executive Officer; or
 - (ii) where the Chairman or the Chief Executive Officer is the Applicant, the other of them and the Chair of the Audit and Corporate Governance Committee (collectively the **Approvers**).
- (b) As part of his or her application, an Applicant must give the Approvers an undertaking that the Applicant complies with paragraph 4.1(a);
- (c) The Approvers may only provide written permission (whether by letter, facsimile, electronic or other form of visible communication) to trade in CIMC shares where:
 - (i) the restricted person is in severe financial hardship or other exceptional circumstances exist; and
 - (ii) the Approvers are satisfied that there is no inside information which has not been disclosed to ASX Limited.
- (d) The following are examples of situations of severe financial hardship or other exceptional circumstances which the Approvers may consider sufficient to warrant approval under this paragraph 6:
 - (i) “severe financial hardship” could include (but is not limited to) the Applicant having a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant CIMC shares; and “exceptional circumstances” could include (but is not limited to) where the Applicant is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell CIMC shares or there is some other overriding legal or regulatory requirement for him or her to do so.
- (e) An Applicant seeking clearance to trade must satisfy the Approvers that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant CIMC shares is the only reasonable course of action available.
- (f) Determination as to whether the Applicant is in severe financial hardship or whether a particular set of circumstances exist may only be made by the Approvers.
- (g) Any permission provided under this paragraph 6 must be obtained by the Applicant not less than 2 business days before the proposed trade.

7 POLICY RESPONSIBILITY

7.1 Each restricted person is responsible for adhering to CIMC’s policy for trading in CIMC shares.

7.2 The Company Secretary has responsibility for maintaining the Policy.

8 INSIDE TRADING

8.1 The requirements imposed by the Policy are separate from, and additional to, the legal prohibitions in the Corporations Act on insider trading.

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(January 2013)