



Cervantes Corporation Limited Securities Trading Policy Adopted 31 December 2010

Introduction

Cervantes Corporation Limited (CVS) is committed to ensuring that public confidence is maintained in CVS, its personnel and the trading of its securities.

The purpose of this policy is to assist the Directors and Senior Management of CVS to comply with their legal obligations relating to dealings in securities while they are in possession of non-public, price sensitive information.

General Rule

You should not buy or sell securities in CVS when you are in possession of price sensitive information relating to CVS that is not generally available to the market. The insider trading provisions of the Corporations Act prohibit you from:

- buying, selling or dealing in CVS securities;
- advising, procuring or encouraging another person to buy, sell or deal in CVS securities; and
- passing on information to another person, if you know or ought to reasonably know that the person may use this information to buy, sell or deal in CVS securities.

It does not matter how or where you obtain the information; it does not have to be obtained from CVS to constitute inside information.

What Constitutes Price Sensitive Information?

The following are possible but not exclusive examples of price sensitive information which, if it has not already been disclosed to the market and if it were made available to the market, may be likely to affect materially the price of the CVS's securities:

- CVS considering a major acquisition or disposal of assets;
- the threat of major litigation against CVS;
- CVS's financial results materially exceeding (or falling short of) the market's expectations;
- a significant new development proposal;
- the likely granting (or loss) of a major contract or government approval;
- a proposed dividend or change in dividend policy;



- a proposed new share issue; or
- a significant change in senior management.

Short Term Trading in Company Securities

The purchase and sale of CVS Securities by Directors and Senior Management within one month is prohibited.

Safest Times to Deal in CVS Securities

The only appropriate time for you to acquire or sell CVS shares is when you are not in possession of price sensitive information that is not generally available to the market, and when CVS is not trading during 'Closed periods' and 'Prohibited Periods'.

Directors and Senior Management - Closed Periods

Directors and Senior Management must also not deal in CVS securities during the week immediately before or 24 hours after:

- the release of CVS half-yearly or yearly results;
- the release of CVS quarterly results; or
- the Annual General Meeting.

Directors and employees must also not deal in CVS securities during the week immediately before or 24 hours after

- the date of the Board meeting for the approval of CVS's interim or annual results; or
- the deadline for CVS to publish its annual results announcement.

Directors and Senior Management - Prohibition Periods

These periods include the Closed Periods as well as, where there is price sensitive information that has not been released to the ASX as the result of Listing Rule 3.1A being in operation. Examples include, where disclosure of information is forbidden by law, or where negotiations are incomplete, involve trade secrets, or concern information generated internally for the purposes of CVS.

Exceptional Circumstances

Requests to trade during the closed periods may be considered in Exceptional Circumstances. In the case of Directors and Senior Management approval will be required by the Managing Director or from the Chairman where the Managing Director makes such a request (Designated Officer).



Examples of exceptional circumstances that will generally be considered appropriate include:

- severe financial hardship;
- court order; or
- regulatory requirement.

CVS recognises that it is difficult to be overly prescriptive as to what constitutes an Exceptional Circumstance. The current procedure is that a written request is made to the Designated Officer that describes the circumstances of the claim. The Designated Officer will determine whether a concession is appropriate on a case by case basis.

Limitation of Policy

This policy does not apply to the following trading examples:

- transfer of securities held in a superannuation fund or other savings scheme of which the restricted person is a beneficiary;
- investment in securities, where the assets of the fund or other scheme are invested at the discretion of a third party;
- undertakings to accept, or the acceptance of a takeover offer;
- trading under an offer or plan or invitation made to all security holders;
- a disposal of securities that is the result of the securities lender exercising their rights, for example under a margin lending agreement; and
- the exercise (but not sale following exercise) or an option or right under CVS's ESOP or incentive arrangements, unless the final date of the option falls within a prohibited or closed period.

Disclosure Policy

All directors and senior management are required to advise the Designated Officer of any intention to buy or sell CVS securities. The Secretary is required to advise the Chairman of his intention to buy or sell CVS securities.

This procedure should prevent potential embarrassment and adverse publicity relating to trading in CVS securities when, for example, there may be important corporate information (whether or not material in a legal context) not publicly released, or when projected financial results may deviate from market expectations.



ASX Notification by Directors

Directors should note that the Corporations Act obliges a director to notify the ASX within 14 days after any dealing in CVS securities (either personally or through a third party) which results in a change in the relevant interests of the director in CVS securities. In addition, under the ASX Listing Rules CVS is required to notify the ASX:

- of such dealings within 5 business days of such dealings taking place; and
- whether the dealing occurred during a 'closed period' and if so, whether written clearance was obtained.

Directors have agreed with CVS to provide notice of such dealings to CVS as soon as possible after such dealing to enable CVS to comply with its obligations under the Listing Rules. A notice given by CVS to the ASX under the ASX Listing Rules satisfies the director's obligation to notify the ASX under the Corporations Act. Any director requiring assistance in this regard should contact CVS's Company Secretary.