

 <small>Global Ferronickel Holdings, Inc.</small>	Global Ferronickel Holdings, Inc. Insider Trading Policy	ISSUE DATE:	April 29, 2015
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I. Introduction

Global Ferronickel Holdings, Inc. (the “Company”) and its subsidiaries are highly committed to the principles of good corporate governance, standards of business conduct, and to comply with all the laws and regulations governing its business operations including the rules on insider trading as prescribed under Republic Act No. 8799 or Securities Regulation Code (SRC). In line with the Company’s commitment, the covered persons as defined in this policy are expected to comply with this policy.

In order to preserve the reputation and integrity, it is a policy of the Company that all of its directors, officers, and employees, who have considerable knowledge of material nonpublic information which would likely affect the market price of Company’s securities and decision of investors, cannot be involved in buying or selling the Company’s securities during the blackout period as defined on this policy and in accordance with Annex 1.

II. Purpose

This policy is intended to:

- Guide the Company’s directors, key officers, employees and their affiliates in the trading of Company’s securities; and
- Provide guidelines to raise awareness about the disclosure requirements and practices in dealings of covered persons as defined in this policy.

III. Definition of Terms

1. Insider trading refers to the unlawful activities of an “insider.”

2. An “insider¹” is:

- The issuer;
- A director or officer (or any person performing similar functions) of, or a person controlling the issuer; gives or gave him access to material information about the issuer or the security that is not generally available to the public;
- A government employee, director, or officer of an exchange, clearing agency and/or self-regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or
- A person who learns such information by a communication from any forgoing insiders.

¹ As defined by SRC Section 3.8.

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3. Information is “material nonpublic²” if:

- It has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or
- It would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security. This information includes, but not limited to:
 - Financial results
 - Acquisition or disposal of assets
 - Board changes
 - Related party transactions
 - Shareholdings of directors
 - Changes of ownership
 - Corporate strategy
 - Merger, acquisition, or joint venture

4. Structured Disclosure - reports that are periodically required by Securities and Exchange Commission and/or Philippine Stock Exchange (PSE).

5. Non-structured Disclosure - information disseminated as they occur and as deemed necessary by the Company.

IV. Guidelines

1. **Covered Persons.** This policy shall be strictly followed by:

- Those covered by the definition of an insider;
- Consultants and advisers of the Company who have access to material nonpublic information; and
- Immediate family members of Board of Directors, Key Officers and employees who are aware of the undisclosed material information. “Immediate family” shall include spouse, relatives by affinity or consanguinity within the second degree, legitimate or common-law, and those who are living in the same household as the Board of Directors, Key officers and employees.

2. **Leaking Information.** Covered persons shall not disclose material nonpublic information to any other person who may use the information for his personal gain by trading the securities of the Company to which the information relates.

3. **Unlawful acts.** As mandated by SRC Section 27.3 and 27.4 (a), the following acts are considered unlawful:

- a. It shall be unlawful for any insider to communicate material nonpublic information about the issuer or the security to any person who, by virtue of the communication, becomes an insider as defined above, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer while in possession of such information; and
- b. It shall be unlawful where a tender offer has commenced or is about to commence for:
 - (i) Any person (other than the tender offeror) who is in possession of material nonpublic information relating to such tender offer, to buy or sell the securities of the issuer that are sought or to be sought by such tender offer if such person knows or has reason to believe that the information is nonpublic and has been acquired directly or indirectly from the tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, or any insider of such issuer; and

² As defined by SRC Section 27.2.

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(ii) Any tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, and any insider of such issuer to communicate material nonpublic information relating to the tender offer to any other person where such communication is likely to result in a violation of subsection (i).

4. **Blackout Period.** The covered persons shall not engage in any transaction regarding the purchase or sale of the Company's securities during the following periods:
 - a. Fifteen (15) trading days before and five (5) trading days after any structured disclosure.
 - b. Ten (10) trading days before and five (5) trading days after non-structured disclosure.
5. **Prohibition.** In relation to the Company's securities, covered persons are prohibited to trade from the time he has knowledge of any material information except in cases mentioned in Annex 1.
6. **Clearance.** Before engaging in transactions regarding the Company's securities, the Board of Directors, Key officers and employees must seek clearance from the Company's Compliance Officer. When in doubt, they should consult the Compliance Officer before engaging in any transaction involving the Company's securities in order to determine if the transaction will cause any violation to the insider trading policy.
7. **Disclosure.** All members of the Board of Directors, key officers, and employees are required to report to the Company's Compliance Officer the details of any purchase, disposal, or change in the ownership of the Company's securities within the next working day after the transaction. The Compliance Officer shall disclose these dealings to PSE within three (3) days from the date of transaction.
8. **New Regulations.** All insiders are encouraged to check for new disclosures posted by the Company and new rules circulated by PSE and any other regulations governing insider trading.
9. **Non-compliance.** Without prejudice to the section "legal sanction", members of the Board of Directors, key officers, and employees who violate this policy shall be considered as serious misconduct subject to disciplinary action which includes termination of employment.
10. **Legal Sanction.** Insider trading is strictly prohibited by law and has corresponding legal sanctions³ subject to civil or criminal proceedings as well as possible imprisonment.

V. Review

This policy has been approved by the Company's Board of Directors. The Company shall review this policy at least annually and reserves its right to amend any portion at any time to reflect the changes in applicable law, codes, rules and regulations. Any amendments will be subject to the approval of the Board of Directors.

VI. Effectivity

This policy was approved by the Board of Directors for immediate implementation effective April 29, 2015.

³ See Annex 2

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Annex 1- Insider's Duty to Disclose When Trading⁴

It shall be unlawful for an insider to sell or buy a security of the issuer, while in possession of material information with respect to the issuer or the security that is not generally available to the public, unless:

- (a) The insider proves that the information was not gained from such relationship; or
- (b) If the other party selling to or buying from the insider (or his agent) is identified, the insider proves:
 - (i) that he disclosed the information to the other party, or
 - (ii) that he had reason to believe that the other party otherwise is also in possession of the information.

A purchase or sale of a security of the issuer made by an insider or such insider's spouse or relatives by affinity or consanguinity within the second degree, legitimate or common-law, shall be presumed to have been effected while in possession of material nonpublic information if transacted after such information came into existence but prior to dissemination of such information to the public and the lapse of a reasonable time for market to absorb such information: Provided, however, That this presumption shall be rebutted upon a showing by the purchaser or seller that he was aware of the material nonpublic information at the time of the purchase or sale.



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⁴ As defined by SRC Section 27.1.

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Annex 2- Civil Liability on Account of Insider Trading⁵

Any insider who violates Annex 1 and any person in the case of a tender offer who violates Section (IV)(3)(b)(i) of this policy, or any rule or regulation thereunder, by purchasing or selling a security while in possession of material information not generally available to the public, shall be liable in a suit brought by any investor who, contemporaneously with the purchase or sale of securities that is the subject of the violation, purchased or sold securities of the same class unless such insider, or such person in the case of a tender offer, proves that such investor knew the information or would have purchased or sold at the same price regardless of disclosure of the information to him.

An insider who violates Section (IV)(3)(a) of this policy or any person in the case of a tender offer who violates Section (IV)(3)(b)(i) of this policy, or any rule or regulation thereunder, by communicating material nonpublic information, shall be jointly and severally liable with, and to the same extent as, the insider, or person in the case of a tender offer, to whom the communication was directed and who is liable by reason of his purchase or sale of a security.



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⁵ As defined by SRC Section 61.