

Approved By	Board
Version Number	1.0
Date	May 2016

SECURITIES TRADING POLICY

Why does SMS have this Policy?

Insider trading is illegal. SMS wants to minimise the risk of insider trading in SMS' shares occurring and eliminate any appearance of possible insider trading. SMS wants to avoid the associated serious reputational damage and legal consequences.

This Policy:

- summarises the law relating to insider trading, including:
 - the insider trading prohibitions which apply to all of SMS's people at all times; and
 - the consequences of breaching the prohibitions
- provides a framework for compliance with the relevant law
- sets out SMS' policy in relation to Confidential Information
- outlines when certain Restricted Persons may and may not Trade in SMS securities
- describes when clearance to trade may be given to Restricted Persons in exceptional circumstances, and
- explains the restrictions that apply to short-term trading, hedging and margin lending.

This policy is not contractual and does not give Employees enforceable rights.

Who is covered by this Policy?

This Policy applies to all Directors and Employees and their Closely Connected Persons and to Contractors (including, but not limited to, abiding by the blackout periods). Some parts of this Policy apply only to Restricted Persons:

- Directors and Employees and their Closely Connected Persons and Contractors must comply with the insider trading laws; and
- Restricted Persons must also comply with additional trading restrictions.

Breaching this Policy could cause SMS significant reputational damage and undermine the integrity of the market for SMS securities.

It is the personal responsibility of each individual to comply with this Policy together with the spirit and the letter of insider trading laws.

This Policy is important. If you do not understand any part of it, you should contact the Company Secretary. The Policy is a general summary of complex legislative provisions and should be treated as a guide only, not legal advice.

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Insider trading – what is it?

What is insider trading?

If you are in possession of **inside information** you must not:

- Trade in Securities affected by the information;
- Procure another person to Trade in the Securities; or
- communicate or pass on the information to any other person, if you know, or ought to know, that the other person would, or would be likely to, deal in the Securities or to Procure another person to do so.

Doing any of these things is **insider trading**. If you have inside information about SMS, you cannot Trade SMS Securities or do any of these things.

Insider trading is prohibited at all times, regardless of how you come to have the information and regardless of whether you Trade in your own name or for yourself or not. Inside information does not need to have been obtained from the Company. It can come from any source.

The prohibitions are set out in detail in the Corporations Act. This is a summary only.

The requirements of this policy are separate from, and in addition to, the legal prohibitions on insider trading set out in the *Corporations Act 2001* (Cth).

What is inside information?

Inside information (also called price sensitive information) is information that you know, or ought to know:

- is not **generally available**; and which
- if it were generally available a reasonable person would expect it to have a **material effect** on the price or value of Securities (that is it would, or would be likely to, influence people who commonly invest in Securities in deciding whether to Trade in the Securities).

Inside information can include speculation, supposition or inference and may also relate to the intentions or likely intentions of a person (even where the information is insufficiently definite to warrant disclosure to the public).

Examples of information that may be inside information include information about:

- the financial performance of a company, particularly if it differs from market expectations;
- a proposed dividend or issue of securities or a proposed change in dividend policy (if any);
- major acquisitions and disposals of assets;
- an actual or proposed takeover or merger;
- an actual or proposed change to the company's capital structure;
- a significant change in a company's market share;
- a possible claim against a company or unexpected liability;
- senior management or board changes; or
- entry into or termination of a significant contract.

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When is information generally available?

Information is **generally available** if:

- it is readily observable;
- it has been brought to the attention of people who commonly invest in Securities (e.g. through an announcement to ASX), and a reasonable time period has passed; or
- it consists of deductions, conclusions, or inferences made or drawn from the available information.

What are the consequences of insider trading?

Insider trading is a serious criminal offence and can result in:

- criminal penalties, including large fines and/or imprisonment;
- civil penalties, including monetary fines and disqualification from managing a company; and
- liability for the amount of any financial loss suffered as a consequence of the offence.

A breach of the insider trading laws will be treated by SMS as serious misconduct and will result in disciplinary action, possibly including termination of contract or employment.

Things to keep in mind

- It does not matter how a person comes to know inside information, including whether it was obtained through work activities, overheard in a corridor or a lift or at a social event outside work.
- While financial impacts of information may be important in determining if it is market sensitive, strategic, management structure or other information could also influence investors to Trade in Securities, making it **inside information**.

The prohibition on passing on **inside information** includes passing on inside information to colleagues, family, friends, contractors or others that may deal in Securities.

Do I have to keep information about SMS confidential?

Yes. In addition to the insider trading restrictions, you have a duty of confidentiality to SMS and must not:

- disclose Confidential Information about SMS;
- use Confidential Information in a manner that may injure, prejudice or cause loss to SMS; or
- use Confidential Information to gain an advantage for yourself or your Closely Connected Persons.

Employees who breach their confidentiality obligations to SMS will be subject to disciplinary action which may include termination of their contract or employment and potentially civil action.

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No trading during blackout periods

No-one covered by this Policy may Trade during the **blackout periods** set out in this table:

Event	Blackout Period
Announcement to ASX of full year results	1 July up until the third trading day after the announcement
Announcement to ASX of half year results	1 January up until the third trading day after the announcement
Annual general meeting	The 30 day period up to and including three trading days after the annual general meeting

Note: For on market trades, settlement may occur during a blackout period (e.g. on a T+2 basis), however trades must be executed prior to the blackout period commencing.

Am I a Restricted Person?

In summary, you will be a Restricted Person (and so will your Closely Connected Persons) if due to your role with SMS, you are likely to come into possession of **inside information**. See the definition of **Restricted Person** at the back of this Policy for more detail.

Restricted Persons – when can you Trade?

When am I prohibited from Trading?

If you are a Restricted Person you cannot Trade in SMS Securities at any time:

- when you have **inside information**;
- during a **blackout period** unless you have **clearance to trade** (subject to some exceptions) AND have no inside information; or
- if the Trading is for short term or speculative gain.

When can I Trade?

If you are a Restricted Person the **trading windows** are:

- during the **permitted trading periods** set out in the table following, three days after you have given a notice of intention to Trade (in accordance with the requirements of this Policy);
- when you have received trading approval outside the **permitted trading periods** set out in the table following (in accordance with the requirements of this Policy); and
- during a **blackout period**, when you have received a clearance to Trade due to exceptional circumstances (in accordance with the requirements of this Policy).

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Event/ASX Announcement	Permitted Trading Period
Announcement to ASX of full year results	The 30 day period starting three trading days after the day of the announcement*
Announcement to ASX of half year results	The 30 day period starting three trading days after the day of the announcement*
Annual general meeting	The 30 day period starting three trading days after the day of the annual general meeting*
Release of a document offering SMS Securities (e.g. prospectus or cleansing notice)	While the offer remains open for acceptance

* *The day the announcement is made/meeting held counts as day one. For example, if the annual general meeting or results announcement is on a Tuesday, you would be permitted to trade from the following Friday.*

The Board may vary the **blackout periods** and/ or **permitted trading periods** from time to time by providing notice (written or electronic) to all Restricted Persons. From time to time additional restrictions on dealing in SMS Securities may also be imposed on directors and employees within the SMS Group due to their knowledge of a potential project or transaction.

If you are unsure of the precise start and finish dates of a permitted trading period, contact the Company Secretary before Trading.

What are the exceptions?

Subject to the insider trading laws, if you are a Restricted Person you can Trade if the Trade:

- **(acting as trustee)** is by or on behalf of a trust of which you are a trustee or director of a corporate trustee, provided you are not a beneficiary of the trust and the decision to Trade is taken by other directors or trustees of the trust independent of you;
- **(third parties)** is the result of a third party fund or scheme investing in SMS Securities (but not exclusively) at the discretion of a third party (e.g. managed investment scheme or listed investment fund);
- **(takeover, scheme or buyback)** results from a scheme of arrangement or acceptance of a takeover or equal access buyback;
- **(security purchase plans and dividend reinvestment plans)** arises under an offer to some or all holders of SMS Securities under a security purchase plan or dividend reinvestment plan, provided that you do not commence, terminate or amend your participation in the plan during a blackout period and/or the plan otherwise determines the timing and the structure of the offer which is approved by the Board;
- **(incentive scheme)** results from the exercise (but not the sale following exercise) of an option or performance right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or conversion of the Security falls during a blackout period and you could not reasonably be expected to have exercised the option or right during a permitted trading period; or

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- **(lender disposal)** arises through the disposal of SMS Securities by a lender exercising their rights, except under a margin lending or other funding arrangement that is not permitted under this Policy.

Can I ask for clearance to Trade during a blackout period?

As a Restricted Person when can I ask for clearance to Trade?

In **exceptional circumstances**, clearance may be given by the **Authorising Officers** for you to Trade during a blackout period.

Exceptional circumstances may include, but are not limited to:

- severe financial hardship – an immediate and pressing financial commitment that cannot be satisfied otherwise than by selling the relevant SMS Securities;
- where there is a court order or other legal or regulatory obligation to transfer or accept a transfer of SMS Securities; or
- other circumstances determined by the Authorising Officers to be exceptional.

As a Restricted Person how do I ask for clearance to Trade?

To request a clearance to Trade, apply in writing to the Authorising Officers in the table below:

- detailing the exceptional circumstances;
- including sufficient evidence that the requested Trade is the most reasonable course of action available in the circumstances; and
- including a statement that you are not in possession of any **inside information** that might preclude you from Trading.

Applicant	Authorising Officers
Restricted Persons (unless specified below)	CEO & Company Secretary
Director (other than the Chair), including the CEO	Chair & Company Secretary
Chair	Board & Company Secretary

When and how will a decision be made?

The Authorising Officers will notify you in writing within three business days of receiving your application whether or not clearance to Trade is granted.

The decision of the Authorising Officers is made in their sole discretion and is final and binding. The Authorising Officers do not need to provide reasons.

In considering an application, the Authorising Officers will have regard to the purpose of this Policy which is not only to minimise the risk of insider trading but also to avoid the appearance of insider trading and the reputational damage it can cause and any other matters the Authorising Officers think fit.

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Clearance to Trade will generally not be granted if:

- SMS is considering any market announcement regarding trading results, corporate transactions or otherwise, or is relying on Listing Rule 3.1A;
- the Authorising Officers consider there is information that is not generally available, but if it were, it would be likely to have a material effect on the price or value of SMS Securities; or
- there is a risk that the market will suspect you had inside information, or there is a risk of reputational damage to SMS.

If clearance to Trade is:

- granted:
 - it is valid for five business days unless another period is stated in the clearance to Trade;
 - the Authorising Officers may withdraw the clearance to Trade if new information becomes available or there is a change in circumstances;
 - it is not an endorsement of the proposed Trade and you are responsible for your own investment decisions and ensuring you comply with the insider trading laws; or
- refused, you must keep that information confidential and must not disclose it to anyone.

Do I need to get approval if I intend to Trade outside a blackout period and outside a permitted trading period?

If you are a Restricted Person and it is not a permitted trading period or a blackout period, you are required to get approval for intended dealings in SMS Securities, by yourself or your Closely Connected Persons prior to the intended Trading. This should be done by notice to the relevant Authorising Officers set out above outlining:

- the name of security holder;
- proposed date of Trading;
- type of Trading (purchase, sale, etc.);
- number of SMS Securities involved;
- confirmation that you have read the Policy; and
- including a statement that you are not in possession of any inside information that might preclude you from Trading.

When and how will a decision be made?

The Authorising Officers will notify you in writing within three business days of receiving your application whether or not approval to Trade is granted.

The decision of the Authorising Officers is made in their sole discretion and is final and binding. The Authorising Officers do not need to provide reasons.

In considering an application, the Authorising Officers will have regard to the purpose of this Policy which is not only to minimise the risk of insider trading but also to avoid the appearance of insider trading and the reputational damage it can cause and any other matters the Authorising Officers think fit.

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- SMS is considering any market announcement regarding trading results, corporate transactions or otherwise, or is relying on Listing Rule 3.1A;
- the Authorising Officers consider there is information that is not generally available, but if it were, it would be likely to have a material effect on the price or value of SMS Securities; or
- there is a risk that the market will suspect you had inside information, or there is a risk of reputational damage to SMS.

If approval to Trade is:

- granted:
 - it is valid for five business days unless another period is stated in the approval to Trade;
 - the Authorising Officers may withdraw the clearance to Trade if new information becomes available or there is a change in circumstances;
 - it is not an endorsement of the proposed Trade and you are responsible for your own investment decisions and ensuring you comply with the insider trading laws; or
- refused, you must keep that information confidential and must not disclose it to anyone.

Following completion of the proposed Trade, you must confirm to the Authorising Officers that the Trade has occurred, and details of the price per Security.

The Company Secretary will maintain a register of your Trading in SMS Securities.

SMS may require you to provide details about any Trading in SMS Securities and you must respond in a timely manner.

What do I need to do to Trade during a permitted trading period?

If you are a Restricted Person and do not have any **inside information**, during a permitted trading period all you are required to do is to notify of your intention to dealing in SMS Securities, by yourself or your Closely Connected Persons prior to the intended Trading. The Company does not need to approve Trading during this period, just be notified of your intention to trade, which should be done by notice to the relevant Authorising Officers set out above outlining:

- the name of security holder;
- proposed date of Trading;
- type of Trading (purchase, sale, etc.);
- number of SMS Securities involved;
- confirmation that you have read the Policy; and
- including a statement that you are not in possession of any inside information that might preclude you from Trading.

Following completion of the proposed Trade, you must confirm to the Authorising Officers that the Trade has occurred, and details of the price per Security. SMS may require you to provide details about any Trading in SMS Securities and you must respond in a timely manner.

The Company Secretary will maintain a register of your Trading in SMS Securities.

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Notification is not an endorsement of the proposed Trade and you are responsible for your own investment decisions and ensuring you comply with the insider trading laws.

What other restrictions are there?

If you are a Restricted Person:

- You must obtain the Board's approval to enter into a margin lending, hedging or any other secured financing arrangement in relation to SMS Securities, providing the Board with the material terms of the proposed arrangements, including the right of the lender to sell unilaterally and trigger events.
- You must not enter into margin lending, hedging or any other secured financing arrangement in relation to SMS Securities that would have the effect of limiting your exposure to risk in relation to part or all of your remuneration that has not vested, or has vested but remains subject to a restriction arrangement (e.g. a holding lock).
- If you have entered into any margin lending arrangement, hedging or any other secured financing arrangement with the Board's approval, you must keep the Company Secretary informed of any change in circumstances that may be relevant to SMS' continuous disclosure obligations.
- You must not engage in 'short term' (less than 90 days) or speculative trading in SMS Securities or in financial products associated with SMS Securities.
- You must not engage in short selling SMS Securities.
- Similar restrictions also apply if you participate in any equity based remuneration scheme of SMS.

You must take all reasonable steps to ensure that Closely Connected Persons do not deal in SMS Securities without you obtaining approval under the Policy.

Additional Directors' obligations

Directors of the Company must also comply with all requirements of the Corporations Act and the Listing Rules in relation to notification of trading in SMS Securities.

Trading in securities of other companies

During the course of your work with the SMS Group you may obtain insider information relating to another company (for example, a client, supplier or partner). Insider trading law and this Policy also relate to **inside information** about another company.

Will this Policy change?

This Policy has been adopted by the Board.

The Board will review this Policy regularly to ensure it complies with the Listing Rules and applicable governance policy.

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Definitions

ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.
Board	The board of directors of SMS.
CEO	The chief executive officer of SMS.
CFO	The chief financial officer of SMS.
Chair	The chair of the Board.
Closely Connected Persons	<ul style="list-style-type: none"> • a spouse or de facto partner of a Restricted Person; • a child or dependant of a Restricted Person; and • a company or trust controlled by a person referred to in (a) or (b) or in which a person referred to in (a) or (b) has a beneficial interest.
Company or SMS	SMS Management & Technology Ltd ACN 009 558 865
Company Secretary	The company secretary of SMS.
Confidential Information	All sensitive, non-public information concerning the SMS Group, including any part of that information.
Contractor	A contractor or consultant to any company within the SMS Group (other than a contractor engaged on a pay rolling basis through M&T Resources Pty Ltd unless they are engaged to work directly with the SMS Group on an internal project or on a SMS Group client engagement).
Corporations Act	<i>Corporations Act 2001 (Cth).</i>
Director	A director of SMS.
Employee	A Director or a full time, part-time or casual employee of any company within the SMS Group.
Group or SMS Group	SMS and its related bodies corporate as defined by the Corporations Act.
Listing Rules	The listing rules of ASX.
Policy	This securities trading policy as amended from time to time.
Procure	Incite, induce or encourage an act or omission by another person.
Restricted Person	Employees who, due to their seniority or role within the SMS Group, are likely to come into possession of material information of a financial, operational or strategic nature concerning SMS, that will or is likely to have a material effect on the price or value of SMS Securities, comprising:

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- the Directors;
 - the CEO;
 - the CFO;
 - the Company Secretary;
 - any person in a managerial position who reports directly to the CEO or the CFO;
 - any member of the Finance department of the SMS Group;
 - any member of the Legal department of the SMS Group;
 - any other person who the Board or the CEO considers a restricted person and advises the person accordingly;
 - executive assistants to any of the persons listed above; and
 - Closely Connected Persons of the persons listed above.

Security or Securities

Ordinary shares, preference shares, convertible notes, bonds and other debentures, warrant contracts, options, derivatives, performance rights and other hedging instruments and mechanisms.

Portfolio products that are not specific to SMS, such as an index or broad based superannuation fund, are not "Securities" for the purpose of this Policy.

Trade or Trading

- Apply for, acquire or dispose of Securities;
- enter into an agreement to apply for, acquire or dispose of Securities;
- grant, accept, acquire, dispose, exercise or discharge an option or other right or obligation to acquire or dispose of Securities; or
- procure another person to:
 - apply for, acquire or dispose of Securities; or
 - enter into an agreement to apply for, acquire or dispose of Securities.

you

A person to whom this Policy applies.
