

Announcement to ASX
ASX Code: SM8

Wednesday 4 March 2020

Updated Securities Dealing Policy

March 4, 2020: Smart Marine Systems Limited (ASX:SM8) (**Company**) provides a copy of its updated securities dealing policy, attached to this announcement as required by ASX Listing Rule 12.10.

This announcement was authorised for release by Paul Guilfoyle, Managing Director.

For further information please contact:

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About Smart Marine Systems

Smart Marine Systems Limited (ASX:SM8) is an Australian marine technology company that has developed and commercialised award-winning patented products including Clever Buoy™ marine monitoring platform. Smart Marine Systems portfolio includes Harvest Technology Pty Ltd and Harvest Infinity Pty Ltd. Harvest Technology is a bespoke subsea technology solutions provider for the energy, resources, and renewables sectors. Harvest Infinity is an innovation company developing remote control, communication, automation and monitoring solutions.

To learn more please visit:

www.smartmarinesystems.com

www.harvest.technology

www.harvestinfinity.com

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SECURITIES DEALING POLICY

1 Introduction

- 1.1 As a director or employee of the Smart Marine Systems Limited ("SMS") group of companies, the Policy applies to you.
- 1.2 If you want to deal in the Company's securities (including when exercising any options) you must follow this Policy.
- 1.3 Failure to do so could result in you coming under suspicion of insider trading. The provisions of this Policy may mean that you cannot deal in the Company's securities or without first obtaining consent so read the Policy carefully.
- 1.4 If the Policy does not prevent you from dealing, but you meet one or more of the definitions of "Key Management Personnel" in Section 4.1 of this Policy, you are required to follow the procedures set out in this Policy and obtain consent from the Company before dealing or trading in the Company's securities. You must also notify the Company immediately after dealing or trading in the Company's securities. Please note that the Policy will be interpreted strictly and in accordance with its spirit rather than its letter.
- 1.5 The ASX Listing Rules requires all companies listed on ASX to adopt and apply a securities trading policy which meets the minimum requirements set out in ASX Listing Rule 12.12.
- 1.6 The Policy applies where any Director or employee of the Company wishes to deal in securities of the Company. This includes not only buying or selling or agreeing to buy or sell shares and warrants in the Company but also buying or selling options over shares and exercising, granting, accepting and discharging options over shares.
- 1.7 The following also constitute dealing in the Company's securities for the purpose of this Policy:
 - (a) dealings between directors and / or certain employees of the Company;
 - (b) off market dealings;
 - (c) transfers of shares for no consideration (other than transfers where the beneficial interest in the shares is retained);
 - (d) a share taken into or out of treasury; and
 - (e) to, or to procure another person to, apply for, acquire, or dispose of, the Company's securities, or enter into an agreement to apply for, acquire, or dispose of, the Company's securities.
- 1.8 Compliance with the Policy (including any changes prescribed by the ASX Listing Rules and notified to you by the Company) is mandatory and a breach of either the Policy or the statutory prohibitions on insider dealings and insider trading may result in legal proceedings and/or disciplinary action including, where appropriate, dismissal.

2 Regulatory Regime

2.1 The nature of prohibition

Insider trading is a criminal offence under Australian law and may also result in civil liability. In broad terms, a person will be engaged in insider trading if:

(a) a person ("the Insider") possesses information which is information not generally available, and if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of particular the Company's securities ("Inside Information"); and

(b) the Insider knows, or ought reasonably to know that the information is;

(i) information which is information not generally available; and

(ii) if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of particular the Company's securities,

and the Insider (whether as principal or agent):

(iii) applies for, acquires, or disposes of, the Company's securities, or enters into an agreement to apply for, acquire, or dispose of, the Company's securities; or

(iv) procures another person to apply for, acquire, or dispose of, the Company's securities, or enter into an agreement to apply for, acquire, or dispose of, the Company's securities; or

(v) the Insider, directly or indirectly, communicates the Inside Information, or causes the Inside Information to be communicated, to another person if the Insider knows, or ought reasonably to know, that the other person would or would be likely to:

(A) apply for, acquire, or dispose of, the Company's securities, or enters into an agreement to apply for, acquire, or dispose of, the Company's securities; or

(B) procure another person to apply for, acquire, or dispose of, the Company's securities, or enter into an agreement to apply for, acquire, or dispose of, the Company's securities.

("Prohibition").

2.2 How you become aware of the Inside Information is irrelevant

It is irrelevant how or in what capacity the person came into possession of the Inside Information. The Prohibition applies to any employee or director who acquires Inside Information in relation to the Company's securities, no matter in which capacity and is prohibited dealing in those securities.

It does not matter how or where the person obtains the Inside Information and it does not have to be obtained from the Company to constitute Inside Information.

2.3 Information which might affect price value

The Prohibition refers to unpublished information which, if generally available, might materially impact the price or value of the Company's securities.

2.4 What does information include?

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“Information” includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

2.5 What information might materially affect price or value?

This means information that a reasonable person would expect to have a material effect on the price or value of the Company's securities. A reasonable person would be taken to expect information to have a material effect on price or value of the Company's securities 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 the Company's securities include:

- (a) proposed changes in the capital structure, capital returns and buy backs of the Company's securities;
- (b) information relating to SMS's consolidated financial results;
- (c) a material acquisition, divestment or realisation of assets;
- (d) proposed dividends and share issues;
- (e) changes to the Board;
- (f) events which could have a material impact on profits (negatively or positively);
- (g) proposed changes in the nature of the business of SMS;
- (h) notification to SMS of a substantial shareholding; and
- (i) any information required to be announced to the market pursuant to ASX Listing Rule 3.1.

2.6 What does “unpublished” mean?

“Unpublished” for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed. The Company publishes information to the market by releasing Company announcements to ASX. All announcements by the Company are available on the ASX website www.asx.com.au and the Company's website <https://www.smartmarinesystems.com/>.

3 Dealing by Directors and Employees

3.1 Dealing

You must not deal in, or procure another to deal in, the Company's securities on considerations of a short term nature (for example, to make a quick profit). You must also take reasonable steps to prevent any person connected with you (including your immediate family) from doing the same.

3.2 Close periods

You must not deal in, or procure another to deal in, the Company's securities during a closed period.

A closed period is:

- (a) the period two weeks prior and two days after the release of the Companies annual results;

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- (b) the period from two weeks prior and two days after the release of the Companies half yearly results; and
- (c) the period of two weeks immediately prior to the release of a disclosure document offering securities in the Company.

("Closed Period").

The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to all Directors or Key Management Personnel either before or during the Closed Period. However, if a Director or Key Management Personnel is in possession of Inside Information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

If you have a pressing financial commitment that cannot be satisfied other than by selling securities, you should talk to the person who is the nominated director responsible for dealing in the Company's securities.

You may be allowed to exercise an option or right under an employees' share scheme where the final exercise date falls within a Closed Period if you could not have been expected to exercise it earlier. You should speak to the person who is the nominated director responsible for dealing in the Company's securities. Note that you will not be allowed to sell the shares you receive during the prohibited period.

3.3 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses Inside Information. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

3.4 Insider trading

If you possess Inside Information, you should not engage an activity which may contravene the Prohibition outlined in Section 2.1 of this Policy.

4 Guidelines for dealing in the Company's Securities by Directors and Key Management Personnel - Clearance to Deal

4.1 This Part 4 applies to Key Management Personnel.

For the purpose of this policy, "Key Management Personnel" are defined as:

- (a) Any director;
- (b) any first line reports of the Managing Director and their direct reports;
- (c) any other person designated by the Managing Director as key management personnel on the basis that they have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

4.2 Clearance to deal

You must not deal in any of the Company's securities without advising the Chairman of the Company (or one or more other of the Company's directors designed for this purpose) in advance and until clearance has been obtained. In his own case, the Chairman, or other designed director, must advise the board in advance at a board meeting, or advise another designed director, and receive clearance from the board or designated director, as appropriate.

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4.3 Circumstances for refusal

You will not be given clearance (as required by paragraph 4.2 of this Policy) to deal in any of the Company's securities during a prohibited period, which is:

- (a) any Closed Period; or
- (b) any period when there exists any matter which constitutes Inside Information in relation to the Company's securities (whether or not you have knowledge of such matter) and the proposed dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter; or
- (c) any period when the person responsible for the clearance otherwise has reason to believe that the proposed dealing is in breach of this Policy.

A written record will be maintained by the Company of the receipt of any request received from you pursuant to paragraph 4.2 of this Policy and of any clearance given. Written confirmation from the Company that such request and clearance have been recorded will also be provided to you.

4.4 Clearance during a prohibited period due to exceptional circumstances

Key Management Personnel who are not in possession of Inside Information in relation to the Company, may apply for, and may be granted, clearance by the Chairman (in his or her discretion) to sell or otherwise dispose of Company securities during a prohibited period where the person is in severe financial hardship or where there are other exceptional circumstances that, in the Chairman's opinion, necessitate clearance.

4.5 Acting as trustee

If you are a sole trustee (other than a bare trustee), the provisions of this Policy will apply, as if you are dealing on your own account. If you are a co-trustee (other than a bare trustee), you must advise your co-trustees of the name of the Company. If you are not a beneficiary, a dealing in the Company's securities undertaken by that trust will not be regarded as a dealing by you for the purposes of this Policy, where the decision to deal is taken by the other trustees acting independently of you or by investment managers on behalf of the trustees. The other trustees or the investment managers will be assumed to have acted independently of you for this purpose where they:

- (a) have taken the decision to deal without consultation with, or other involvement of you; or
- (b) if they have delegated the decision making to a committee of which you are not a member.

4.6 Dealings by Connected Persons and Investment Managers

You must (so far as is consistent with your duties of confidentiality to the Company) seek to prohibit (by taking the steps set out in paragraph 4.7 of this Policy) any dealing in the Company's securities during a Close Period or at a time when you are in possession of Inside Information in relation to those securities and would be prohibited from dealing under paragraph 4.2 of this Policy:

- (a) by or on behalf of any person connected with you under UK or Australian law (includes nominees, agent and other associates, such as family members, family trusts and family companies); or
- (b) by an investment manager on your behalf or on behalf of any person connected with you where either you or any person connected with you has funds under management with that investment manager, whether or not discretionary (save as provided in paragraph 4.5).

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4.7 For the purposes of paragraph 4.6 of this Policy, you must advise all such connected persons and investment managers:

- (a) of the name of the Company;
- (b) of the Close Periods which they cannot deal in the Company's securities;
- (c) of any other periods when you know you are not yourself free to deal in the Company's securities under the provisions of this Policy unless your duty of confidentiality to the Company prohibits you from disclosing such periods; and
- (d) that they must advise you immediately after they have dealt in Company's securities (save as provided in paragraph 4.5).

4.8 Procedure to be followed before and after dealing

You must obtain specific approval from the Company before dealing in the Company's securities. Complete a Clearance Request Form (see Attachment) and send it via the Company Secretary to the person responsible for giving clearance to deal.

You will be notified of the decision by the return of your Clearance Request Form duly completed. You must not deal in the Company's securities until this has been returned saying your request has been approved. Any refusal is final and binding. If approval is given for dealing you should deal within 7 days of receipt of such approval.

Each person must obtain consent individually. You may not assume that if one person has obtained consent to deal that you may rely on that consent.

The Prohibitions on dealings in paragraph 4 also apply to persons connected with you under Australian Law as well as the equivalent prohibitions under the laws of England and Wales. These include husbands and wives, children under 18 and associated companies and trusts. You must seek to prohibit these people from dealing when you yourself are not allowed to deal. You must obtain consent for dealings by these people and report their dealings as you do your own.

You must notify the Company Secretary in writing immediately after dealing in the Company's securities by signing and completing a Share Dealing Return Form (available from the Company Secretary) and sending it, together with, or later if then unavailable, a copy of the contract note from the stockbroker, to the Company Secretary. Do not wait to receive your contract note before returning the Share Dealing Return Form.

5 Dealings which are not subject to the Policy

The following trading or dealings in the Company's securities are NOT subject to the Policy.

- (a) undertakings or elections to take up, taking up or allowing to lapse your entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (b) selling enough of your entitlements nil-paid to allow you to take up the balance of your entitlements under a rights issue;
- (c) undertaking to accept or accepting a takeover offer.

6 Effect of compliance with this Policy

Compliance with this Policy does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

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Attachment Clearance Request Form

Personal Details	
Name:	Address:
	postcode:
Position (e.g. consultant):	
Proposed dealing	
Number of shares/warrants/options:	Nature of transaction - (e.g. buying/selling)
When you intend to deal (assuming you receive clearance to do so)?	Do you know anything about the Group or which relates to the Group which, if it were made public, would lead to a substantial movement in the Company's share price?

If the dealing is to be done by someone other than the above-named director or employee, please give details (director's or employee's spouse / children / trust / private company):

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You must disclose to one of the directors responsible for dealing any additional material facts which may affect the decision as to whether the dealing should be permitted or not.

I..... of

declare that the information above is true and that I have read the rules as set out in the Policy. I understand that the information above may be referred to in the event of a suspected breach of this Policy. I will inform promptly the directors responsible for dealing if there is a change in any of the above circumstances. If the dealing is approved, I will instruct a broker to carry out the transaction and will immediately notify the Company Secretary in writing when the dealing has been effected.

Signature Date.....

ON COMPLETION, THIS FORM IS TO BE HANDED TO THE COMPANY SECRETARY

Request authorised/refused* by Date.....
(*Delete whichever is not applicable)