



SML Corporation Limited

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Securities trading policy

Effective date: 12/07/2017

SML Corporation Limited

Securities trading policy

This policy applies to all directors, officers, employees and contractors of the Company and the companies in the group (collectively called Directors and Employees).

This policy:

- includes a brief summary of the laws that govern dealings in the Company's securities (this includes its shares, options, warrants and other financial products traded on a financial market) when Directors and Employees have inside information about the Company (called insider trading);
- gives guidance to Directors and Employees who may contemplate dealing in the Company's securities; and
- states the Company's position on Directors and Employees dealing in the securities of other companies where they are in possession of inside information because of their position in the Company.

General Prohibition on Insider Trading in Company Securities

Directors and Employees who are in possession of inside information about the Company's securities must not:

- deal in those securities;
- procure another person such as a family member, friend or associate to deal with those securities; or
- communicate the inside information to another person who is likely to deal in the Company's securities or procure another person to do so.

Inside information is information that is not generally available, but if it were, a reasonable person would expect it to have a material effect on the price or value of the particular security. Information that would have a *material effect* on the price or value of a particular security is determined if and only if it would or would be likely to influence persons who usually acquire such securities in deciding whether to sell or buy those securities.

There may be significant criminal and civil liability and penalties (including imprisonment) imposed on those who breach the law concerning insider trading.

Dealing in the Company's Securities During Trading Window

Directors and Employees may trade in the Company's securities during the four week period commencing immediately after either the release of the Company's half-year and annual results to the Australian Securities Exchange, the annual general meeting or any major announcement ("trading window") **EXCEPT** where the Director or Employee is in possession of unpublished price sensitive information or the Company is in possession of unpublished price sensitive information and notifies the Director or Employee that they may not trade during all or part of the trading window.

The Board may resolve that there are specific periods in addition to the above period when directors and employees can deal in Company securities. Directors and Employees will be notified by email of these periods by the Managing Director or Chairman.

Directors and Employees must ensure that they do not engage in insider trading during a trading window.

Dealing in the Company's Securities Outside of Trading Window

Directors and employees are not permitted to buy or sell the Company's securities during the period up to 14 days preceding the following:

- the Company's financial results; or
- the holding of a shareholders meeting;

and ending two days after the end of the day of the announcement of the Company's financial results or the holding of the shareholders meeting to allow the market to absorb the contents of the announcement.

Any trading outside of the trading window can only be conducted on request and with the prior written approval of the Chairman (or if unavailable, the Managing Director).

Approval to trade in the Company's securities outside of the trading window may be granted in exceptional circumstances at the discretion of the Chairman (or if unavailable, the Managing Director). Exceptional circumstances may include cases of severe financial hardship, where court orders exist or other overriding legal circumstance requiring the sale or transfer of the securities.

Clearance to trade outside of a trading window will apply for a period of 10 days from the time the approval to trade was communicated to the Director or Employee.

Trades Excluded from the Share Trading Policy

The following dealings in the Company's securities are not subject to this share trading policy:

- an undertaking to accept, or the acceptance of a takeover offer;
- dealings in securities already held by the Director or Employee into a superannuation fund in which that person is a beneficiary;
- dealings under an offer or invitation made to all or most of the shareholders of the Company, such as a rights issue, a security purchase plan or a dividend or distribution reinvestment plan or an equal access buyback, approved by the Board;
- decisions to take up or not to take up the entitlements or to allow them to lapse, and the sale of sufficient entitlements to take up the balance of entitlements under a rights issue;
- a dealing where the beneficial interest in the security does not change;
- an investment in, or a trading in units of a fund or arrangement, other than a fund only investing in securities in the Company, where the assets of the fund are invested at the discretion of a third party;
- the cancellation, lapsing or surrender of an option or right under an equity based executive or employee incentive plan;
- the exercise (but not the sale on exercise) of an option or a right under an equity based executive or employee incentive plan where the final date for exercise of the option falls during a restricted trading period.

Insider Trading prohibited for dealing in the Securities of other companies

Directors and Employees, in the course of performing their duties for the Company, may come into possession of inside information about other companies. The insider trading rules outlined above also apply to dealings with securities in other companies. Directors and Employees are also bound by duties of confidentiality in relation to the inside information obtained about third parties in the course of performing their duties in or their position in the Company.

Compliance with this Policy

Any Director or Employee may be asked to confirm their compliance with this policy or to provide confirmation of their dealing in Company Securities. Any request must be responded to promptly.

This policy must be strictly complied with and any breach will be regarded seriously. A breach of this policy may result in disciplinary action being taken which may (if applicable) include dismissal from employment with the Company.