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SMW Group Limited

**Financial Product Trading Policy
and Guidelines**

Adopted by the Board on 4 August 2020

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1. Policy Statement

SMW is committed to complying with all legal and statutory requirements. Legal requirements make it unlawful to deal in SMW financial products while in possession of “inside information” about SMW (that is not public).

This policy is designed to raise awareness of the prohibitions of insider trading and minimise the potential for a breach of the prohibitions on insider trading, as well as avoid the appearance of any insider trading.

This policy applies to all directors, employees and contractors to SMW (SMW People).

2. Background

Under the Financial Markets Conduct Act 2013 (FMCA), it is illegal for any person (Information Insider) holding price sensitive information that is not generally available to the market about a listed company (Inside Information) to trade that listed company’s shares or other securities. Engaging in such behaviour is known as “insider trading”.

The policy adopted by SMW is that if you wish to trade in the SMW’s shares or other issued securities (SMW Financial Products), you must not do so if you are an Information Insider. In addition, Inside Information should not be disclosed to third parties unless those persons are covered by express duties of confidentiality that restrict their ability to trade SMW Financial Products while they are an Information Insider.

This policy also prohibits distributing information or engaging in trades which may constitute “market manipulation” under the FMCA (this is explained in further detail below).

The detailed policy and procedure in respect of these rules is set out below.

3. Guidance

SMW treats insider trading very seriously. If you intend to buy or sell SMW shares, please read this document carefully and seek advice from the Chair, Managing Director or SMW’s legal counsel if any matter is unclear.

SMW People are required to obtain consent from the Chair or Managing Director in the form set out in Appendix A before either buying or selling SMW financial products. If you intend to buy or sell shares, you will need to:

- notify the Chair or the Managing Director of your intention to trade in SMW Financial Products, and seek consent to do so on the attached form;
- confirm that you do not hold Inside Information; and
- confirm that there is no known reason to prohibit trading in any SMW Financial Products.

4. References

Documents and other sources of assistance available to support this policy include the FMCA and guidance material on insider trading that is published from time to time by the Financial Markets Authority (see www.fma.govt.nz).

5. General

SMW will communicate this policy to its shareholders and to the market, including via its website, in the interests of transparency and accountability, and to better promote achievement of the objectives of this policy.

This policy has been agreed by the Board of SMW Group Limited.

	Approved by	Date
1.0	The Board	4 August 2020

ATTACHMENT 1: SMW GROUP LIMITED (SMW) FINANCIAL PRODUCT TRADING GUIDELINES FOR INSIDERS

In this policy 'trade' includes buying or selling SMW Financial Products, or agreeing to do so, whether as principal or agent, but it does not include a subscription for an issue of new SMW Financial Products.

Introduction and Purpose

This document details SMW's rules for dealing in the SMW Financial Products. SMW Financial Products include:

- all financial products of SMW that are quoted from time to time on markets operated by NZX;
- any other financial products of SMW or its subsidiaries that are on issue from time to time; and
- any derivatives in respect of the above financial products.

The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.

Fundamental Rule – No trading may be done while in possession of inside information
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If you possess inside information it is illegal for you to:

- trade in SMW Financial Products;
- procure, advise or encourage another person to trade or hold SMW Financial Products; and
- directly or indirectly communicate the Inside Information to others including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, the SMW Financial Products. You could be liable in respect of trading by the other person (known as **Tipping**).

This offence of "insider trading" can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of illegal trading.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

The prohibition on insider trading applies not only to information concerning SMW's Financial Products. If a person has inside information in relation to listed financial products of another listed company (including futures contracts listed on an authorised futures exchange), that person must not trade in those financial products.

Inside Information

Inside Information is information concerning SMW that:

- is not generally available to the market; and
- if it were generally available to the market, would have a material effect on the price or value of SMW Financial Products.

It does not matter how you come to know Inside Information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function).

Information is generally available to the market if it has been expressly released as a market announcement to the markets operated by NZX or can be reasonably derived from such market announcements (through, for example, financial analysis of material in market announcements).

Inside Information can include rumours, matters of supposition, intentions of SMW and information concerning an incomplete proposal that is insufficiently definite to warrant disclosure to the public.

Examples of Inside Information

Examples of Inside Information include:

- the financial performance of SMW or its subsidiaries;
- a possible change in strategic direction of SMW;
- a possible acquisition or sale of any assets by SMW;
- senior management or director changes;
- the entry into or likely entry into or termination or likely termination of material contracts or other business arrangements;
- upcoming performance announcements especially if they contain unexpected results;
- a proposed takeover or restructuring;
- a change in SMW's dividend policy; and
- an unexpected liability for SMW arising or a contingent liability becoming an actual liability.

The list is illustrative only. If you have knowledge of any of these matters or any other information likely to affect the price or value of SMW Financial Products (or influence a decision whether or not to trade in them) you must not trade in SMW Financial Products until such matters have been announced to market and a reasonable period for that information to be disseminated has elapsed.

Short term trading should be avoided

Short term trading is buying and selling financial products over a short time period (i.e. 3 months). If you do this in relation to SMW Financial Products it might give rise to allegations of insider trading particularly if short term trading is done around important events which affect SMW's share price. These events may not be expected or known by you, but if they do occur your short term trading may be viewed adversely with the benefit of hindsight.

Accordingly, you should not engage in short term trading unless there are exceptional circumstances discussed with and approved by the Managing Director or the Chair.

Trading/Issue/Exercise Periods

There are no 'safe' periods for trading financial products. You may never trade if you hold Inside Information.

However there is less risk that you will face allegations that you have Inside Information if you trade SMW Financial Products after the announcement of SMW's full year and half year results, particularly if they are audited and final. This is because any Inside Information you may have had is likely to have been incorporated into the results that were announced. However some matters that constitute Inside Information (e.g. a potential acquisition or disposal) may not be detailed in such results and so due consideration must still be given as to whether you hold Inside Information despite the release of such results.

SMW People have greater restrictions on trading in any SMW Financial Products under this Policy except in the 30 day period commencing on the first day of trading after:

- release of half year results to NZX;
- release of full year results to NZX; or
- release of a product disclosure statement or cleansing notice for a retail offer of SMW Financial Products

(together, the **Trading Windows**).

SMW People are less likely to receive approval to trade any SMW Financial Products during any time outside of these Trading Windows. The Chair or Managing director must refer a request for approval to trade outside of the Trading Windows for full SMW Board consideration and determination.

For approval to trade within the Trading Windows, the Managing Director or Chair may approve such trading for the purposes of this policy. The Managing Director and Chair must however consult each other before giving any such approval.

Third Party Disclosure of Inside Information

No Inside Information should be disclosed to third parties unless those third parties are covered by express or clearly implied duties of confidentiality.

Implied duties of confidentiality arise for example with respect to disclosure to legal advisers for the purposes of obtaining legal advice. Express duties will arise where written confidentiality agreements are entered into.

Your duty of confidentiality to SMW will continue to apply, even if you have ceased being employed or engaged by SMW. You must not reveal any confidential information concerning SMW to a third party (unless that third party has signed a confidentiality agreement with SMW and you have been authorised to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to SMW, or use confidential information to gain an advantage for yourself. You should ensure that external advisers keep SMW information confidential.

Disregarding these requirements could, in addition to being a serious breach of this policy, constitute Tipping under the FMCA if the recipient of the confidential information then (or encourages another person to) trades in SMW Financial Products. Tipping, like Insider Trading, can give rise to civil and criminal liability.

Market manipulation

Engaging in behaviour which constitutes “market manipulation” is prohibited by the FMCA. Penalties for breaching the market manipulation provisions contained in the FMCA may include criminal liability, fines and imprisonment.

It is possible to commit market manipulation inadvertently, for example, in circumstances where a person ought to have known that their behaviour could be construed as market manipulation. As such SMW People should:

- a) familiarise themselves with types of conduct which could be considered market manipulation; and
- b) take active steps to avoid disseminating information or trading SMW Financial Products in ways which could be construed as market manipulation.

The types of behaviour which could be categorised market manipulation in relation to SMW include:

- *Misleading information*: you must not make a statement or disseminate information concerning SMW if it is materially false or misleading, where that statement would likely affect a person's decision to trade or exercise a voting right (including abstentions from doing so).
- *Misleading trading*: you must not do, or omit to do, anything which will have (or will likely have) the effect of creating a misleading appearance of supply, demand, price or value of SMW Financial Products. This could include:
 - > *Wash trades*: sale and purchase of financial products where there is no change in actual ownership of the financial product e.g. from one company to another, where both companies are owned or controlled by the same person.
 - > *Improper matched orders*: transactions where both buy and sell orders are entered at the same time, with the same price and quantity by different colluding parties.
 - > *Advancing the bid*: increasing the bid for a financial product to increase its price.
 - > *Marking the close*: buying or selling financial products at the close of market in order to affect the closing price of the security concerned.
 - > *Pump and dump*: engaging in buying activity which results in increasingly higher prices for financial products, followed by selling those financial products at the resulting higher prices.

If you are in doubt as to whether your trading activity could be construed as market manipulation, you should consult the Managing Director or the Chair before trading. In terms of the release of misleading information, SMW has a continuous disclosure policy regulating its communications processes to minimise risk associated with misleading information and that policy must be complied with by SMW People.

If in doubt, don't!

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading or market manipulation. If in doubt, don't!

Breaches of policy

Strict compliance with this policy is a condition of employment, both within SMW and as a condition of service on the Board. All suspected breaches of this policy should be reported to a member of the Board or senior management – the identity of anyone making such a report will be protected at all stages in the course of any internal investigation. Any determined breaches of this policy will be subject to disciplinary action, which may include immediate termination of employment (or contract for service) for serious misconduct.

The Board will report any breaches of this policy to NZX Regulation and/or the Financial Markets Authority as soon as practicable after becoming aware of a breach.

Monitoring of trading

SMW may monitor the trading of SMW Financial Products of SMW People as part of the administration of this policy.

Application of policy

The Board of SMW has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by memo to you or by posting on SMW's website.

These guidelines apply to any trading in which you are involved or instrumental, whether or not the SMW Financial Products are held or received in your own name or that of your spouse, children, other relatives, associates, companies which you control or trusts of which you are a trustee. These guidelines apply whether or not the trading is to be done in New Zealand or overseas, and apply to all SMW Financial Products.

ATTACHMENT 2: REQUEST FOR CONSENT TO TRADE IN SMW FINANCIAL PRODUCTS

To: SMW Group Limited (**SMW**)

In accordance with SMW's Financial Product Trading Policy and Guidelines (**Policy**), I request consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within the allowed period under the Policy. I acknowledge that SMW is not advising or encouraging me to trade or hold SMW Financial Products and does not provide any such recommendations.

Name:

Name of registered holder transacting (if different):

Address:

Position:

Description and number of Financial Products:

Type of proposed transaction: Purchase/sale/other (specify)

To be transacted: On NZX/off-market trade/other (specify)

Likely date of transaction (on or about):

I declare that I do not hold information which:

- is not generally available to the market at the time of trading; and
- would have a material effect on the price of SMW's Financial Products if it were generally available to the market.

I know of no reason to prohibit me from trading in SMW's Financial Products and certify that the details given above are complete, true and correct.

Signature

Date

SMW hereby **does/does not** consent to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within the allowable timeframe specified in the Policy and otherwise in full compliance with the Policy.

SMW Group Limited

Date