



SmartTrans Holdings Limited

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Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001
By E-Lodgement

Updated Share Trading Policy

In accordance with ASX Listing Rule 12.10 the Company announces its amended Share Trading Policy.

The Company resolved to amend its policy on 22nd August 2011 to clarify circumstances excluded by this policy. This change was brought about to rectify a possible difficulty in the issue and exercise of options pursuant to any shareholder approved option issue or employee incentive scheme. The Company also resolved to amend its policy on the same date to redefine closed periods.

A copy of the amended Share Trading Policy follows and will also be released on the Company's website.

James Laurie
Company Secretary

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Share Trading Policy

1. **Background**

The law prohibits and imposes severe penalties on insider trading. In particular the Corporations Act (2001) (Cth) (**Corporations Act**) and the Listing Rules of the Australian Securities Exchange (**ASX Listing Rules**) (as applicable) require the disclosure of any trading in the Company's securities by its directors or their related entities.

This policy provides additional restrictions on trading upon people who have access to inside information relating directly to SmartTrans Holdings Limited (**Company** or **SMA**) from dealing in SMA's securities.

This policy is made available on the Company website, to all key management and employees and will be announced to ASX, and any subsequent material changes to the policy will also be announced to ASX.

If you do not understand any part of this policy and how it applies to you please contact the Company Secretary

2. **Definitions**

Insider trading is buying or selling, or inducing others to buy or sell, any company's securities when in possession of Price Sensitive Information.

Price Sensitive Information is information that is information concerning a company's financial position, strategy or operations that is not generally available and which, if made public, a reasonable person would expect to have a material effect on the price or value of the company's securities, or would be likely to influence a person in deciding whether to buy or sell the company's securities.

Some examples of Price Sensitive Information include: earnings or dividends that have not yet been announced; possible de-listing, closure, receivership or liquidation; a new contract, development or venture; a proposed acquisition, merger or takeover; an imminent share issue or other capital raising; and major financial difficulties or losses.

Dealing in securities includes trading, subscribing, buying or selling securities or entering an agreement to do so, as well as advising, procuring or encouraging others such as family members, friends, colleagues etc to trade in securities.

3. **General restrictions when in possession of inside information**

Insider trading is a criminal offence. If a person is in possession of Price Sensitive Information in relation to a company, it is a criminal offence to:

- (a) trade in that company's securities;
- (b) advise or procure another person to trade in that company's securities; or
- (c) pass on inside information to someone else, knowing that the other person may use that information to trade in, or procure someone else to trade in, that company's securities.

The requirements imposed by this policy are separate from and additional to the prohibitions in the Corporations Act on insider trading.

4. **Additional trading restrictions for employees**

Employees may have access to Price Sensitive Information in the course of their employment. Employees may generally freely trade in the Company's securities however they are reminded that the law applying to insider trading also applies to them. This policy set outs procedure to reduce any perceived possibility of insider trading within the Company.

Strict compliance with this policy is a condition of employment.

Employees have a duty of confidentiality to the Company. A person must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or gain an advantage for themselves or anyone else. This obligation may also extend to information obtained in regard to other companies including the Company's suppliers or customers.

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Employees must:

- (a) take all reasonable steps to prevent the trading in the Company's securities by their spouse, partner, child or other immediate family member, or trust or other company controlled by them (or an investment adviser acting on behalf of them who intends dealing in the Company's securities) when in possession of Price Sensitive Information;
- (b) not engage in short term or speculative trading of the Company's securities, which is defined as the purchase and sale of the same securities within a 12 month period;
- (c) exercise care if borrowing monies to purchase securities or offering securities held by them as collateral;
- (d) not enter into arrangements, such as margin loans or arrangements involving the Company's securities as collateral to secure repayment of a loan, where the lender is granted a right to sell or compel the sale of the securities at a time that this policy prohibits the employee dealing in the securities; and
- (e) not use derivatives such as caps, collars, warrants or similar products in relation to any Company securities held by employees.

5. Additional trading restrictions for Key Management Personnel

Additional restrictions on trading in the Company's securities apply to those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including but not limited to: the directors of the Company, the Chief Executive Officer and all executives reporting directly to the Chief Executive Officer and the Company Secretary (**Key Management Personnel**).

As Key Management Personnel hold positions where it may be assumed that they will have access to inside information regarding the Company therefore this policy places additional restrictions on Key Management Personnel and their associates dealing with the Company's securities.

Key Management Personnel must not trade in the Company's securities without written approval, such approval to be obtained pursuant to the procedures set out in this policy.

A list of all Key Management Personnel is to be maintained by the Company Secretary who will ensure all Key Management Personnel receive notification of this policy.

6. Scope of the Policy

This policy does not apply to every dealing with the Company's securities and as such there are some dealings which may be exempt from the requirements of this policy, namely:

- (a) where the beneficial interest in the relevant security of the Company does not change;
- (b) where the persons otherwise prohibited from dealing pursuant to this policy have no control over trading decisions; or
- (c) where trading occurs under an offer to all or most of the Company's security holders.

Employees and Key Management Personnel (**Restricted Person**), otherwise prohibited from dealing in the Company's securities at a particular time, pursuant to this policy, are specifically excluded from the application of this policy when dealing in the Company's securities in the following manner:

- (i) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (ii) where a Restricted Person is a trustee, trading in the securities of the Company by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- (iii) undertakings to accept, or the acceptance of, a takeover offer;

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- (iv) trading under an offer or invitation made to all or most of the security holders, including decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (v) a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (vi) a dealing to acquire securities where shareholder approval for the dealing has been obtained and/or the dealing is in accordance with the terms of an individual employment / appointment agreement or dealings under an employee incentive scheme, performance rights plan (or similar);
- (vii) a dealing to acquire securities pursuant to the terms of a business acquisition;
- (viii) the exercise (but not the sale of securities following exercise) of an option or a 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 the conversion of the security, falls at a time prohibited under this policy and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so;
- (ix) transactions conducted between a person and their spouse, civil partner, child or step-child;
- (x) bona fide gifts to a Restricted Person by a third party; and
- (xi) an unforeseen circumstance or dealing that is considered by, and declared in writing by, the Chairman to be consistent with the objectives of this Policy such that it should be excluded.

However, where any employee of the Company who would otherwise be prohibited from trading under this policy, and is seeking to rely on these exclusions so as to trade, they must first notify the Chairman in writing of the dealing and the applicable exclusion.

7. Application Procedure

Key Management Personnel or their associates must not trade in the Company's securities without prior written approval. The required written approval can only be obtained as follows:

- (a) a written or emailed request for approval of the proposed dealing, including a declaration that the applicant is not in possession of inside information in relation to the proposed dealing, is to be sent by the Key Management Person to the Company Secretary who will forward the request to the Chairman of the Board for approval (**Application**);
- (b) the Chairman will respond to the Application, normally, within 24 hours when a written or emailed approval or refusal will be returned to the Key Management Person. Any such approval will be valid for 7 days from the date it is given, meaning the relevant dealing can only occur during that period (subject to the other requirements of this policy) (**Approval**).
- (c) The Chairman may, at his or her discretion and without limitation, refuse an Application or grant Approval subject to conditions.
- (d) The Chairman may refer an Application to the full Board at his or her discretion and must inform the Board of any such requests.
- (e) In the case of the Chairman intending to trade in the Company's securities, the Chairman must notify and obtain approval from the Board before trading or giving instructions for trading.
- (f) If Approval is granted and the dealing occurs, all Key Management Personnel must advise the Company Secretary of their or their associate's participation in any trading of the Company's securities within five business days of the date of any such dealings, including details of the applicant's percentage shareholding in the Company.

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Notwithstanding that the Company Secretary is to be informed of all information concerning Key Management Personnel's shareholding, the ultimate responsibility for ensuring that the required forms and notifications, including the acquisition of any substantial shareholding or change in any substantial shareholding, are lodged with ASIC and ASX, remains with the relevant Key Management Person.

Key Management Personnel should note that, notwithstanding that the Chairman has granted consent, it is the Key Management Person's obligation to ensure that they do not breach the general obligation not to deal in the Company's securities when in possession of unpublished Price Sensitive Information.

8. Closed Periods

Given the increased likelihood that Key Management Personnel will be in possession of Price Sensitive Information during certain events, they are prohibited from trading in the Company's securities during the following times (**Closed Periods**):

- (a) in the two weeks prior to the release of the Company's quarterly reports and for 1 business day after the release of the report;
- (b) in the 1 month prior to the release of the Company's half-year financial results and for 1 business day after the release of the results; and
- (c) in the 1 month prior to the release of the Company's full-year financial results and for 1 business day after the release of the results.

9. Prohibited Periods

In addition to the Closed Periods, the Board has the discretion to prohibit trading by any Key Management Personnel, for example during periods when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in Listing Rule 3.1A (**Prohibited Periods**).

As Key Management Personnel must not trade in the Company's securities without written approval, this provides the opportunity for the Board to exercise its discretion to prohibit trading.

10. Exceptional Circumstances

In exceptional circumstances consent may be given by the Chairman for a Key Management Person to sell (but not to purchase) the Company's securities during a Prohibited Period, when they would otherwise be prohibited from doing so.

"**Exceptional circumstances**" may include genuine hardship, severe financial hardship, and court orders or some other overriding legal or regulatory requirement, as determined at the Chairman's discretion. A tax liability would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability.

To obtain the Chairman's consent to sell the Company's securities in exceptional circumstances, the following procedure must be followed:

- (a) a written or emailed request to sell the Company's securities in exceptional circumstances is sent to the Company Secretary who will forward the request to the Chairman for approval. The request must include:
 - (i) a declaration that the applicant is not in possession of Price Sensitive Information in relation to the proposed dealing;
 - (ii) details as to the grounds upon which the applicant believes they fall within exceptional circumstances, including any documentary evidence.

(Request).
- (b) The Chairman may:
 - (i) at his or her discretion and without limitation, refuse to grant consent to the dealing or place conditions on the dealing; and

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- (ii) refer a request to trade to the full Board at his or her discretion and must inform the Board of any such requests.
- (c) In the case of the Chairman intending to trade in the Company's securities, the Chairman must notify and obtain approval from the Board before trading or giving instructions for trading.
- (d) The Chairman will respond to a Request, normally, within 24 hours when a written or emailed approval or refusal will be returned to the Key Management Person. Any such approval may be:
 - (i) subject to conditions; and
 - (ii) valid for a limited period of time (usually 7 days) from the date it is given.

(Grant of Exemption)

- (e) If Grant of Exemption is made and the dealing occurs, the Key Management Person must advise the Chairman of their or their associate's participation in any trading of the Company's securities within five business days of the date of any such dealings.

Notwithstanding that the Chairman is to be informed of all information concerning Key Management Personnel's shareholding, the ultimate responsibility for ensuring that the required forms and notifications, including the acquisition of any substantial shareholding or change in any substantial shareholding, are lodged with ASIC and ASX, remains with the relevant Key Management Person.

Key Management Personnel should note that, notwithstanding that the Chairman has granted consent, it is the Key Management Person's obligation to ensure that they do not breach the general obligation not to deal in the Company's securities when in possession of unpublished Price Sensitive Information.

11. Review

Date Policy Established: September 2008.

Date Policy Amended: December 2010, August 2011

Reviewed: Annually