



Share Trading Policy

Simonds Group Limited
(ACN: 143 841 801)

1. Summary of Policy

Simonds Group Limited (“**Simonds**” or “**Company**”) is a public company whose shares are traded on a stock exchange. The Company has a commitment to the highest possible standards of corporate conduct and governance.

This Policy is designed to ensure that public confidence in Simonds, and the trading of Simonds shares, is maintained. It would be damaging to Simonds’ reputation if the market or the public perceived that Simonds Personnel might be taking advantage of their position to make financial gains (by dealing in securities on the basis of confidential or undisclosed inside information).

This Policy applies to all Simonds Personnel. “**Simonds Personnel**” includes all Simonds directors, officers and employees, and also any contractor and consultant whose terms of engagement by the Company apply this policy to them.

It also applies to all Simonds Securities. “**Simonds Securities**” means Simonds ordinary shares and includes any notes, options, rights, debentures, and other securities of the Company.

2. Insider Trading

A fundamental rule is that insider trading is prohibited at all times.

If you have Inside Information (explained below), you must not:

- (a) deal in Simonds Securities; or
- (b) advise, encourage or procure others to deal or hold Simonds Securities - you cannot do this yourself or by encouraging or procuring another person to do so.

‘**Inside Information**’ is information that is not generally available and, if it was generally available, a reasonable person would expect it to have a material effect on the price or value of the relevant Securities. In simple terms, this means information which might influence someone to decide whether or not to buy or sell the Securities.

“**Dealing**” includes applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or sell, securities, and “**deal**” has a corresponding meaning.

Insider trading is a criminal offence, punishable by substantial fines and/or imprisonment.

Simonds Personnel must not communicate price-sensitive information or cause that information to be communicated to another person other than for Simonds’ business purposes, and then only subject to appropriate confidentiality arrangements.

3. General Dealing Restrictions

Simonds Personnel must not deal in Simonds Securities if they are aware of undisclosed Inside Information (see above) or are a Designated Person (defined in section 4 below).

Designated Persons have greater access to Inside Information and therefore additional dealing restrictions apply to those persons - see section 4 below.

4. Dealing Restrictions – Designated Persons

4.1 Dealing Restrictions for Designated Persons

In addition to the general trading restrictions set out in this Policy which apply to Simonds Personnel, additional restrictions on trading in Simonds Securities apply to “**Designated Persons**” which includes the following:

- (a) a non-executive director of the Company;
- (b) the Managing Director/CEO (“**CEO**”);
- (c) the Chief Financial Officer (“**CFO**”);
- (d) an employee who reports to either the CEO or the CFO;
- (e) the Company Secretary; and
- (f) other person(s) who regularly possess undisclosed Inside Information or have been advised by the Company Secretary that they are subject to the additional dealing restrictions.

Designated Persons are not permitted to deal in Simonds Securities during any of the following blackout periods:

- (a) between 1 January and one trading day following the announcement of the half year results;
- (b) between 1 July and one trading day following the announcement of the full year result;
- (c) any other period(s) that the Company specifies as a blackout period,

(collectively, the “**Blackout Periods**”).

In addition, Designated Persons must inform the Company Secretary and obtain permission to deal in Simonds Securities outside of a Blackout Period in accordance with section 4.3.

The above restrictions also apply to Designated Person’s family or other related parties (such as entities controlled by the Designated Person). Each Designated Person has a personal responsibility to ensure that these entities comply with the same respective restrictions as apply to Designated Personnel.

4.2 Dealing Restrictions for Designated Persons

Dealing in the Company’s securities by Designated Persons during the Blackout Periods may only be permitted with prior written clearance from the Chairman, or in the case of the Chairman, with clearance from the Chair of the Audit Committee, where:

- (i) there are exceptional circumstances (such as severe financial hardship or compulsion by court order), and
- (ii) the Designated Person does not possess price sensitive information.

If clearance to trade during a Blackout Period is obtained, the Designated Person must deal in the Simonds Securities within 5 business days of the receipt of the clearance.

Designated Persons must promptly notify the Company Secretary in writing of any dealings in Simonds Securities, ideally by close of business on the day of the trade.

4.3 Dealing outside Blackout Periods

Dealing in Simonds Securities by Designated Persons outside the Blackout Periods set out in section 4.1 above, is only permitted if:

- (a) the Designated Person is not, at the time of the proposed dealing, in possession of any price sensitive information; and
- (b) where the Designated Person is a director of the Company, where the director has obtained prior written clearance from the Chairman, or in the case of the Chairman, clearance from the Chair of the Audit Committee; or
- (c) where the Designated Person is not a director, where the Designated Person has obtained prior written clearance from the Company Secretary.

Any dealing in Simonds Securities by the Designated Person in respect of which clearance is given under this section 4 must occur within 5 business days of the receipt of the clearance.

4.4 Equity Incentive Plans

- (a) The acquisition of shares through the employee share plans is exempt from the terms of this Policy. The Policy terms will apply to any subsequent dealing of those shares acquired through the employee share plans.
- (b) Options may be converted to shares (at any time approved by the Board) and be exempt from the terms of this policy. This exemption applies to all employee option plans and performance rights plans approved by the Board. The Policy terms will apply to any subsequent dealing of those shares acquired through the exercise of options or performance rights.

4.5 Other dealings excluded from this Policy

Sections 4.1 to 4.3 of this Policy do not apply to:

- (a) an acquisition of securities under a Dividend Reinvestment Plan operated by the Company;
- (b) an acquisition or disposal of securities under a takeover of corporate action open to all shareholders (eg: pro-rata rights issues, share purchase plan or an equal access buy-back);
- (c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of securities already held into a superannuation fund or trust of which the Designated Person is a beneficiary); and
- (d) trading under a pre-approved non-discretionary trading plan, where the Designated Person does not enter into the plan or amend the plan during a Blackout Period.

5. Prohibited Dealings

5.1 No short-term trading in the Company's securities

You must not engage in short-term trading of any Simonds Securities except where there are exceptional circumstances and with prior written clearance. Buying and selling (or selling and buying) within a 6-month period is considered short-term. However, the sale of Simonds Securities immediately after they have been acquired through the conversion of a security (for example, the exercise of an option) will not be regarded as short-term trading.

The person to consider a request for written clearance is, in relation to Designated Persons set out in section 4.3. For all other Simonds Personnel, the request for written clearance will be considered by the Company Secretary.

5.2 No Hedging

Designated Persons must not enter into an arrangement or transaction that:

- (a) is designed or intended to hedge (or otherwise limit) your economic exposure to unvested or restricted Simonds Securities (e.g. unvested employee share plan shares);
- (b) amounts to "short selling" of Simonds Securities; or
- (c) otherwise enables the Designated Person to profit from a decrease in the market price of Simonds Securities.

5.3 Margin loans and other security interests

Any Dealing in the Company's securities by Designated Persons pursuant to a margin lending arrangement must be conducted in accordance with this Policy. Examples of such Dealings include:

- (a) entering into a margin lending arrangement in respect of Simonds Securities;
- (b) transferring Simonds Securities into an existing margin loan account; and
- (c) selling Simonds Securities to satisfy a call pursuant to a margin loan.

Designated Persons must obtain prior approval in accordance with the procedure set out in section 4.3, irrespective of any Blackout Period. The Company may, at its discretion, make any approval conditional upon such terms and conditions as the Company sees fit.

6. Effect of Compliance with this Policy

Compliance with this Policy is mandatory. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both. Any breach of this Policy will be regarded as serious and may lead to disciplinary action, including dismissal.