

INSIDER TRADING POLICY

This policy is intended to implement the prohibitions on insider trading in the Securities Regulation Code and to comply with best practices on corporate governance.

1. Policy

Directors, officers and employees of SM Investments Corporation who possess non-public material information are prohibited from buying or selling (trading) share of stock of SMIC, except in accordance with this policy.

2. Material Information

Any non-public information that could reasonably be expected to affect the market price of SMIC's shares is deemed to be material. Such material information includes, but is not limited to, financial results, mergers and acquisitions, significant investments or divestments and litigations, major changes in key senior management positions, and the like. Non-public information is information that is not known to or available to the public. Information is considered public when it has been released through a press release, a public statement or disclosure to the regulators or the Exchange.

3. Trading Restriction Period

Directors, officers and employees are strictly prohibited from trading in SMIC shares five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results and any other material information.

This is in pursuant to Section 13.2 of the PSE Disclosure Rules –

“13.2 A Director or Principal Officer of an Issuer must not deal in the Issuer’s securities during the period within which a material non-public information is obtained and up to two full trading days after the price sensitive information is disclosed.”

4. Reporting Requirements

Directors, officers and employees are required to report their dealings in company shares within three (3) business days. Reports should be submitted to the Compliance Officer, and should indicate the date of the trade/s and the number of shares traded.

5. Penalties

Any person who violates this policy shall be subject to disciplinary action, without prejudice to any civil or criminal proceedings which may be filed against him. Under the law, insider trading may be subject to penalty for damages or fine and/or imprisonment.

2 March 2016