



**EXOPHARM LIMITED**

ACN: 163 765 991

("Company")

**SECURITIES TRADING POLICY**

Effective: 1 April 2021

# SECURITIES TRADING POLICY

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## Purpose

This trading policy (**Policy**) sets out the policy of the Company regarding the trading in Company securities. In this Policy:

- **Securities** include shares as well as options, warrants, debentures and any other security on issue from time to time.

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## Scope

This policy applies to all executive and non-executive directors, officers and employees of the Company (including those defined as Key Management Personnel according to AASB 124 *Related Party Disclosures*) and their associates (collectively, **Restricted Persons**) of the Company, and its subsidiaries (collectively, **Group**).

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## Policy

The Company has adopted this Policy to regulate dealings by Restricted Persons in Securities.

All Restricted Persons must comply at all times with the provisions of the Corporation Act and Australian Securities Exchange (**ASX**) Listing Rules concerning Share dealings including:

- Insider trading provisions;
- Market manipulation provisions; and
- Notification requirements.

It is each Restricted Person's own responsibility to ensure that they are fully aware of their legal obligations with respect of security dealings.

All trading in securities by Restricted Persons must be in accordance with this Policy. Despite anything else in this Policy, Restricted Persons should not deal in the Company's securities when they possess Price Sensitive Information relating to the Company that is not generally available to the market.

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## Insider Trading

Restricted Persons who possess material price sensitive information (collectively, **inside information**) relating to the Company, are prohibited in all circumstances from:

- Trading in securities in the Company;
- Procuring others to trade in securities in the Company; and
- Directly or indirectly communicating the inside information to another person who the Restricted Person believes is likely to trade in the securities in the Company in any way or procure a third person to trade in the securities in the Company.

Insider trading is strictly prohibited by law, and it is incumbent upon all Restricted Persons to uphold that prohibition. Insider trading, or the perception of insider trading, by any Restricted Person will not be tolerated.

Insider trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against the Company and Restricted Persons.

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**Price Sensitive Inside Information**

Non-public price sensitive information or inside information is information which is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of securities. The person who holds the information knows, or ought reasonably to know, that the information is not generally available and, if it were, it might have a material effect on the price or value of the Company's securities.

Examples of inside information include, but are not limited to:

- A material variance in the financial performance of the Company; or
- The signing or termination of a joint venture, substantive collaboration, licence or technology acquisition; or
- A proposed or actual takeover; or
- An unexpected liability or legal claim against the Company; or
- Proposed share issue; or
- Changes in management.

Information is considered generally available if:

- It can be easily observed; or
- It has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- It may be deduced, inferred or concluded from the above.

Information would be likely to have a material effect on the price or value of Company securities if the information might influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of Company Securities.

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**Closed Periods**

In addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that directors, officers and employees must not trade in the Company's Securities during the following periods:

- a) From 1 January of each year until the close of trading on the business day after the release of the Company's Half Year Accounts to ASX;
- b) From 1 July of each year until the close of trading on the business day after the Company's Preliminary Final Report to ASX;
- c) From the day immediately following the conclusion of each relevant quarterly reporting period (such day being 1 January, 1 April, 1 July and 1 October as appropriate) until the close of trading on the business day after the release by the Company of its quarterly report for the relevant quarter; and
- d) Any other time the Board decides.

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**Excluded Trading**

Trading that is not covered by the restrictions in this Policy, includes:

- Transfer of securities in a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary, but the Restricted Person has no control or influence over the investment decisions made by the superannuation fund or saving scheme;

- An investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Company securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- Where a Restricted Person is a trustee, trading in securities by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- Undertakings to accept, or the acceptance of, a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution investment plan (DRP) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. In the case of a DRP, the Restricted Person must only elect to participate in the DRP when they are not in possession of non-public price sensitive information and may not change that election until they are again not in possession of non-public price sensitive information.;
- A disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- The acceptance of an offer from the Company of unquoted securities under an employee incentive scheme, where the employee incentive scheme has been approved by shareholders, and where the securities cannot be traded, transferred or converted until after the end of the Closed Period;
- 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 during a Closed Period and where the Restricted Person could not reasonably have been able to exercise at a time when free to do so; and
- Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
  - The Restricted Person did not enter into the plan or amend the plan during a Closed Period; and
  - The trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade.
  - The Company's trading policy does not allow the Restricted Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.

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### **Trading inside a Closed Period - Exceptional Circumstances**

A Restricted Person, who is not in possession of inside information affecting securities, may be given prior written approval to sell or otherwise dispose of securities during a Closed Period where there are exceptional circumstances.

Whether severe financial hardship or other exceptional circumstances exist is to be determined by the Managing Director and CEO or, if in the case of the Managing Director and CEO, by the Board in its sole and absolute discretion. Exceptional circumstances may include:

- severe financial hardship which means a Restricted Person has a pressing financial commitment that cannot be satisfied otherwise than by selling the securities. By example, the tax liability of a Restricted Person would not normally constitute severe financial hardship unless the Restricted Person has no other means of satisfying the liability;
- if the Restricted Person is required by a court order, or there are court enforceable undertakings to transfer or sell the securities or there is some other overriding legal or regulatory requirement for the Restricted Person to do so; or

- a situation determined by the chairperson of the Board (**Chairperson**) or, in the case of the Chairperson, the non-executive Directors, to be an exceptional circumstance.

A Restricted Person, who is not in possession of inside information affecting securities, may also be given prior written approval to buy securities during a Closed Period where there are exceptional circumstances.

Whether exceptional circumstances exist is to be determined by the Managing Director and CEO or, if in the case of the Managing Director and CEO, by the Board in its sole and absolute discretion. Exceptional circumstances may include a situation determined by the Chairperson or, in the case of the Chairperson, the non-executive Directors, to be an exceptional circumstance.

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#### **Procedure for obtaining written approval**

When requesting prior written approval to buy, sell, transfer or otherwise obtain or dispose of securities, a Restricted Person must submit to the Approving Officer a Securities Trading Request in the form set out in Schedule 1 to this Policy.

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#### **Extension of restrictions to family members and others**

A number of the restrictions described in this Policy prohibit the communication of non-public price sensitive information to other people or arranging for another person to trade in securities.

Where a person related to or closely connected with a Restricted Person undertakes trading in securities, which are restricted by this Policy, there is often a presumption that such person has been privy to information, which is held by the Restricted Person. If that presumption is correct, both the Restricted Person and the other person may have engaged in insider trading. Even if that presumption is incorrect, such trading may create a perception of insider trading.

Accordingly, to the extent that it is within Restricted Persons' power to do so, Restricted Persons should ensure that any securities trading which is prohibited by this Policy is not undertaken by their:

- spouse or partner;
- immediate family members such as a parent, child, sibling, in-laws or other relative living in the Restricted Persons home or to whom material support is contributed;
- a company or trust over which the Restricted Person has influence or control (regardless of who is the beneficiary);
- a trust of which the Restricted Person is a beneficiary (other than a trust over which the Restricted Person exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and
- any other person over whom Restricted Person has investment control or influence.

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#### **Notifiable Interests**

Executive and Non-Executive directors and other KMPs must provide to the Company Secretary:

- details of their notifiable interests as at the date of their appointment; and
- all information regarding the trading of the Company securities within 2 (two) days of a trade in the Company's securities (such trading is to be pre-approved as stated above).

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#### **Anti-hedging Policy**

Restricted Persons are not permitted to enter into transactions with securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes offered by the Company.

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**Review of this Policy**

This Policy will be reviewed when legislation relating to Insider Trading changes and otherwise at least every two years by the Company's Directors, having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing. Material changes in the Policy will be notified to the ASX in accordance with the Listing Rules.

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**Breaches of this Policy**

Strict compliance with this policy is mandatory for all Restricted Persons. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company securities.

Any Restricted Person who becomes aware of a violation of this Policy should immediately report the violation to the Company Secretary.

It should also be noted that, in some circumstances, the Company may be obliged to notify regulatory and/or criminal authorities of a serious breach of this Policy.

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**Further Information**

If you have any questions or need further information on how to comply with this policy, please contact the Company Secretary.

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**Distribution and Awareness of Policy**

This policy will be made available to all KMPs and Employees as part of their induction.

This policy will be published on the Company's website.

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**Glossary of Terms**

Approving Officer	means:  (a) for an employee who is not a KMP, firstly the Company Secretary or else the Managing Director and CEO or Chairperson;  (b) for a KMP who is not a Director, firstly the Company Secretary or else the Managing Director and CEO or the Chairperson;  (c) for a Director (except the Chairperson), firstly the Company Secretary or else the Chairperson; and  (d) for the Chairperson, firstly the Company Secretary or else the Managing Director and CEO.
Closed Period	Is a Black Out Period in which Restricted Persons are prohibited from trading in Company securities, unless under exceptional circumstances.
Employee	means any employee or consultant of the Company.
KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise), chief executive officer, chief operating officer, chief financial officer or company secretary of that entity, as determined in accordance with Accounting Standard AASB 124 'Related Party Disclosure'.
Inside Information	Price sensitive information relating to the Company that is not generally available to the public, which a reasonable person would expect to have a material effect on the price or value of Company securities.

Relevant Interest	a person has a Relevant Interest in securities if they:  (a) are the holder of the securities; or  (b) have power to exercise, or control the exercise of, a right to vote attached to the securities; or  (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.
Restricted Person	Includes all Executive and Non-Executive directors, officers and employees of the Company, including their associates.

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**Schedule 1 – Securities Trading Request**

In accordance with the Securities Trading Policy of Exopharm Limited, before dealing in any Company Securities you are required to obtain clearance.

Please forward this request to the Approving Officer by scan/email as relevant.

Name: \_\_\_\_\_  
 Position: \_\_\_\_\_  
 Location: \_\_\_\_\_  
 Telephone: \_\_\_\_\_  
 Email: \_\_\_\_\_

I request permission to trade the following Securities which are currently held / proposed to be held by myself personally and/or other parties with whom I have a Relevant Interest as follows:

Registered Name of Security Holder	Type of Company Security	Number of Company Securities	Buy/Sell

I confirm that:

- It is not a Closed Period;
- I am not in possession of Inside Information;
- I will not deal in the above Company Securities until I am notified that clearance is approved; and
- I may be refused permission to deal without explanation.

Signed: \_\_\_\_\_  
 Date: \_\_\_\_\_

This form is valid for a period of 10 Business Days from the date of approval. After this time, clearance will lapse and a further request will need to be completed. This form will be returned to you with the period of validation completed if approval has been granted.

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*For completion by the Approving Officer:*

Approval / Refusal for the above dealing has been cleared for a period of 10 Business Days (Approving Officer to delete one).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Approving Officer: \_\_\_\_\_