



# Securities Trading Policy

## 1. Introduction

This Securities Trading Policy sets out the circumstances in which directors and employees of Cyclopharm Limited (CYC) and its subsidiaries may deal in Company securities.

This Policy is not designed to prohibit directors and employees of the Company and its subsidiaries from dealing in Company securities, but does recognise that there are times when these persons cannot or should not deal in Company securities. This Policy also allows the Company to monitor dealings in Company securities by Directors and senior executives.

### 1.1 Objectives

The objectives of this Policy are to:

- (a) Minimise the risk of directors and employees of the Company contravening the laws against insider trading;
- (b) Seek to ensure that directors and employees of the Company and its subsidiaries adhere to high ethical and legal standards in relation to their dealings in Company securities;
- (c) Reduce the likelihood that dealings of directors and employees of the Company and its subsidiaries may, or may be perceived to, conflict with the interests of the Company and other shareholders.

### 1.2 Definitions

For the purposes of this Policy:

- (a) "**Company securities**" includes shares, debentures (including convertible notes) and options issued by the Company, as well as derivatives and any other financial products with respect to the Company or its securities, whether or not able to be traded on ASX or another stock exchange, and whether or not such securities are created by the Company or issued or created by third parties;
- (b) "**Deal**" in Company securities means to apply for, acquire or dispose of Company securities, or enter into an agreement to do any of those things;

- (c) **"Procure"** another person to deal in Company securities includes inciting, inducing or encouraging a person to deal or not deal in Company securities; and
- (d) **"Senior executives"** means all CYC executives employed.

## **2. Dealing in securities - Outline of the insider trading prohibition**

### **2.1 Prohibited conduct**

If a director or employee possesses "inside information" in relation to the Company, the person must not:

- (a) Deal in Company securities; or
- (b) Communicating the information to others who might deal in Company securities; or
- (c) Directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company securities in any way or procure a third person to deal in the Company securities.

Importantly, given the broad definition of "procure" (see paragraph 1.2(c) above), a director or employee who acquires Company securities through a trust or company while in possession of "inside information" may contravene these insider trading provisions and this Policy.

### **2.2 When a person possesses "inside information"**

A director or employee possesses "inside information" in relation to the Company where:

- (a) The person possesses information that is not generally available and, if made public, would likely to have a material impact on the price or value of Company securities; and
- (b) The person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, would likely to have a material impact on the price or value of Company securities.

Directors and employees must assume that information is generally available only if it has been announced to ASX and a reasonable time has elapsed.

A reasonable person would be taken to expect information to have a material effect on the price or value of Company securities if (and only if) the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of Company securities.

### 3. Policy

#### 3.1 General principles

The following are the general principles regarding trading by Directors and employees of the Company and its subsidiaries of Company securities:

- (a) Directors and employees who possess "inside information" must not deal or procure dealing in Company securities.
- (b) Directors and employees must avoid, and be seen to avoid, actual or potential conflict between their personal interest and the interests of the Company and other shareholders.

#### 3.2 Blackout periods

Directors and employees must not deal in, or procure dealing, in Company securities during the following blackout periods:

- (a) The period from year end and preliminary announcement of the full year results (usually 1 February to end February);
- (b) The period from half year end and preliminary announcement of the half year results (usually 1 August to end August); and
- (c) Any other periods advised to employees by the Board (via the Company Secretary).

It is recommended that directors and employees should wait at least 2 hours after the relevant release of any price sensitive announcement so that the market has had the time to absorb the information before any dealing in shares.

**However, even if a blackout period is not operating, a director or employee must not deal, or procure dealing, in Company securities or Associated Products if the person is in possession of any "inside information".**

#### 3.3 Directors and senior executives

Directors and senior executives must provide confirmation to the Company Secretary within three business days after the dealing of shares has occurred.

#### 3.4 Requests to trade during a blackout period

If a director or employee wishes to deal with Company securities during a blackout period, permission needs to be sought from the Chairman and the Managing Director (or in either's absence another director in his or her place)

The Chairman and Managing Director will generally direct a director or employee not to deal in Company securities during any blackout periods, unless special circumstances exist.

Examples of special circumstances are:

- (i) Financial hardship; and
- (ii) As instructed by Court order.

### **3.5 Exercise of options, participation in dividend reinvestment plans etc**

Further, subject to the insider trading provisions of the Corporations Act, directors and employees may at any time:

- (a) Subscribe for securities offered under a disclosure document (e.g. a prospectus);
- (b) Acquire the Company's ordinary shares by conversion of securities giving a right of conversion to ordinary shares (e.g. options) - but may not deal with any of the shares received upon conversion of the securities other than in accordance with this Policy and the insider trading provisions;
- (c) Acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (d) Acquire Company securities under a share purchase plan made to all holders of securities of the same class; and
- (e) Acquire Company securities under a dividend reinvestment plan that is available to all holders of securities of the same class.

### **3.6 Employee share plans**

As a consequence of a specific exemption from the insider trading provisions, directors and employees may at any time:

- (a) Apply for or acquire Company securities under an employee share plan; or
- (b) Exercise options acquired under an employee share plan to acquire the Company's ordinary shares - but may not sell any of the shares received upon exercise of the options other than in accordance with this Policy and the insider trading provisions.

## **4. Further Information**

The Board will review this Policy from time to time as legislative requirements change and best practice for securities trading evolves. The Company Secretary will communicate any amendments to directors and employees.