

BioTech Capital Ltd
ACN 091 979 172

Securities Trading Policy

December 2010

Part 1 – Rules for all BioTech Capital Limited Employees

1. Purpose

- 1.1 This document sets out the Securities Trading Policy of BioTech Capital Ltd ACN 091 979 172 ("**the Company**").
- 1.2 This part of the Securities Trading Policy applies to all Key Management Personnel and Employees.
- 1.3 Part 2 provides additional requirements for Key Management Personnel.
- 1.4 The policy includes only a summary of the relevant provisions contained in the *Corporations Act* and should not be relied upon as legal advice.

2. Defined Terms

2.1 In this policy:

- (a) **Closed Periods** means any period outside the Trading Windows.
- (b) **Company Securities** includes ordinary shares, preferences shares options, debentures and convertible notes in the and any other financial products or debt instruments issued by the Company whether they are traded on ASX or unlisted.
- (c) **Inside Information** means information relating to the Company which is not generally available and if the information were known, would be likely to:
 - (i) have a material effect on the price or value of the Company's Securities;
or
 - (ii) influence persons who commonly invest in securities in deciding whether or not to buy, sell or deal in the Company's Securities.
- (d) **Key Management Personnel** means any person who has authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including:
 - (i) directors;
 - (ii) chief executive officer;
 - (iii) chief financial officer;
 - (iv) financial controller;
 - (v) the company secretary; and
 - (vi) persons who report directly to either the Chief Executive Officer or Chief Financial Officer,

and includes Relatives of Key Management Personnel.

- (e) **Relative** includes a spouse (or equivalent) or a dependant of the Key Management Personnel or a company or other entity controlled by the Key Management Personnel. For the avoidance of doubt, a Relative does not include a spouse (or equivalent) or dependant who is not controlled by the Key Management Personnel but acts on their own initiative without reference to the Key Management Personnel. In such cases, the Key Management Personnel should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if buying, selling or dealing occurs in the Company's Securities.
- (f) **Trading Windows** has the meaning in Item 1 of the Trading Policy set out in Part 2 of this document.

3. What is the Prohibition against Insider Trading?

- 3.1 If you are in possession of Inside Information relating to the Company, the insider trading provisions of the Corporations Act prohibit you from:
 - (a) applying for, buying, selling or dealing in the Company's Securities;
 - (b) advising, procuring or encouraging another person to buy, sell or deal in the Company's Securities; and
 - (c) directly or indirectly passing on information to another person, if you know or ought reasonably to know that the person may use this information to buy, sell or deal in the Company's Securities.
- 3.2 You cannot avoid the law by arranging for a member of your family or a friend to buy, sell or deal in the Company's securities, nor may you give "tips" including Inside Information to others, including customers.
- 3.3 Examples of Inside Information include:
 - (a) the financial performance of the Company against budget;
 - (b) the forecast financial performance of the Company and its budgets;
 - (c) entry into or termination of important agreements;
 - (d) the intention of the Company to acquire or sell a business or important assets; or
 - (e) an unexpected liability.
- 3.4 Information will be regarded as being generally available, and therefore not Inside Information, if:
 - (a) it consists of readily observable matter, which requires the information to be directly observable in a "public arena" such as a judgment in court, a sufficiently detailed news story in a capital city newspaper, a media release or other published statement of the company; or
 - (b) it has been brought to the attention of investors through an announcement to ASX, and a reasonable period has elapsed since the announcement.

4. What are the consequences of insider trading?

- 4.1 Breach of the insider trading laws may expose you and/or members of your family and/or other persons to whom you pass Inside Information, to:
- (a) criminal liability – penalties include a fine of up to \$200,000 or imprisonment for five years, or both ;
 - (b) civil penalties of up to \$200,000; and
 - (c) civil liability – you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities.
- 4.2 The Company will also regard breach of the law and/or this policy by the Company's staff as serious misconduct, which may lead to disciplinary action and/or dismissal.

5. Other important information

- 5.1 If you have Inside Information relating to a company other than the Company, the insider trading prohibition also applies to dealing in the securities of that company. In the course of performing your duties as an employee of the Company, you may obtain price sensitive information relating to another company in a variety of circumstances including but not limited to:
- (a) another company may provide price sensitive information about itself to the Company in the course of a proposed transaction;
 - (b) another company with whom the Company is dealing may provide price sensitive information about a third company; and
- 5.2 Information concerning the Company or actions which may be taken by the Company could have a material effect on another company. Independent of insider trading laws, employees are bound by a duty of confidentiality in relation to information obtained in the course of their employment.

6. Short Trading

Key Management Personnel and employees must not under any circumstances buy and sell Company Securities within a 30 day period.

Part 2 - Trading Policy For Key Management Personnel

1. Dealings in the Company's Securities within Trading Windows

Key Management Personnel who are not in possession of Inside Information may buy, sell or deal in the Company's Securities during the following Trading Windows:

Between 24 hours and 45 days after release of the Company's half-yearly or annual results to the ASX.
Between 24 hours and 45 days after the Company's annual general meeting.
Between 24 hours and 14 days after any announcement to the ASX under the ASX Listing Rule 3.1 (continuous disclosure requirements) made outside the period between the end of a half year or financial year and the release of the results for that period.
During the period in which the Company has a prospectus or other disclosure document on issue under which people can subscribe for <i>securities</i> .

Key Management Personnel (other than the Company Secretary) must notify the Company Secretary before any proposed transaction in the Company's Securities using the form in **Schedule A**.

The Company Secretary must notify the Chairman before any proposed transaction in the Company's Securities using the form in **Schedule A**.

The Board may decide to close a Trading Window early, in which case the Company Secretary will advise Key Management Personnel of that fact.

2. Prohibition against Dealings in the Company's Securities during Closed Periods

Key Management Personnel must not buy, sell or deal in the Company's Securities during a Closed Period unless Exceptional Circumstances, are determined to exist.

3. Exceptional Circumstances

Under Exceptional Circumstances, Key Management Personnel may apply to the appropriate Nominated Person for prior written clearance to deal with the Company's Securities during a Closed Period, provided that they are not in possession of Inside Information.

Examples of Exceptional Circumstances where the Company may provide prior written clearance to deal with the Company's Securities include:

- (a) a severe financial hardship caused by a pressing financial commitment that cannot be satisfied otherwise than by selling the Company's Securities; or
- (b) a requirement under a court order (for example in a bona fide family settlement) or some other overriding legal or regulatory requirement to transfer or sell the Company Securities.

Tax liabilities will not ordinarily constitute an Exceptional Circumstance unless the Key Management Personnel that must pay the tax liability has no other means of satisfying that liability.

Applications to trade in Exceptional Circumstances must be made to the following Nominated Persons:

Person seeking permission	Nominated Person
Chairman and Chief Executive Officer	Company Secretary and any one of the Company's other Directors
Other Directors	Company Secretary and the Chairman
Company Secretary	Chief Executive Officer and Chairman or, where both those roles are held by the same person, to the Chief Executive Officer and any other Director
Other Key management Personnel	Company Secretary and any one of the Company's Directors

The permission of the Nominated Person may be sought by completing a "Share Trading Notification Form" (included at the bottom of **Schedule A**). Where there is more than one Company Secretary, only one such person need be notified.

The person seeking clearance in such circumstances must satisfy the Nominated Person that the proposed sale of the Company's Securities is the only reasonable course of action available to them in the circumstances.

The granting of permission is entirely at the discretion of the Nominated Person.

The Nominated Person may seek the views of the Board and/or external legal advisers before providing their decision.

4. Reporting to the Board

Directors of the Company must report **any** transactions in the Company's Securities that occur at **any** time to the Company Secretary.

The Company Secretary will maintain a Register of Directors' Interests – details of any changes will be noted in Board Papers for the next Board Meeting.

The Company and its directors will comply with ASX Listing Rules 3.19A and 3.19B concerning notifiable interests of directors.

5. Retiring officers

Where Key Management Personnel retire from office or employment, it is recommended that they should only buy, sell or deal in the Company's Securities after complying with the conditions outlined below:

- (a) where the retiring Key Management Personnel is aware of profit results of the Company – only after 24 hours from the time those profit results have been released to ASX; and

- (b) where the Key Management Personnel retires within a period of 45 days prior to the Annual General Meeting of the Company – only after 24 hours from the conclusion of the Annual General Meeting.

5. Exceptions to Policy

The restrictions on trading in Closed Periods do not apply to:

- transfers of Company Securities that result in no change in beneficial interests;
- accepting an offer for all or most security holders (for example, in a takeover);
- circumstances where the holder has no control or influence over the trading decisions, such as in a dividend reinvestment plan; or
- the exercise (but not the sale of securities following exercise) of an option under an employee incentive scheme where the final day for exercise falls during a Closed Period and the Company has been in an exceptionally long Closed Period or has had a number of consecutive Closed Periods and the holder could not reasonably have been expected to exercise it at a time when free to do so.

However you must still provide prior notification in accordance with this policy. If you are uncertain about any of these exceptions you should also discuss the matter with the Company Secretary or the relevant Nominated Person.

6. Other Restrictions

Key Management Personnel are not to trade in financial instruments against Company securities including, but not limited to:

- margin loans;
- listed put or call options or equivalent; and
- stop-loss contracts.

SCHEDULE A

SHARE TRADING NOTIFICATION/APPROVAL FORM

To: Nominated Person

From: _____

Relative or Company name: _____

Notification: I or my relatives / company * propose to buy / sell / deal *
_____ (insert number and type of securities) in
BioTech Capital Limited ACN 091 979 172, during the trading
window between

_____ and _____

** Delete as appropriate*

OR

I or my relatives / company * propose to buy / sell / deal *
_____ (insert number and type of securities) in
BioTech Capital Limited ACN 091 979 172, during the current
Closed Period.

** Delete as appropriate*

Declaration: I hereby declare that this dealing is not a result of access to, or
receipt of Inside Information as described in the Securities
Trading Policy of BioTech Capital Limited.

Approval for trading during a Closed Period

If this is an application to trade during a Closed Period, please also provide the following
information

Reason for trading during the Closed Period

Approval: The Nominated Person(s) permits / denies * permission to trade
as specified above.

** Delete as appropriate*

Trading must be completed within 5 working days of the date
below.

Signed: _____ (applicant)

Date: _____