

BIOTECH CAPITAL LIMITED

SHARE TRADING POLICY

23 February 2016

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1. OBJECTIVES AND PURPOSES

1.1 Objectives

Biotech Capital Limited (“the Company”) is listed on the Australian Stock Exchange (“ASX”). Directors and employees of the Company are encouraged to be shareholders of the Company. Trading of the Company’s shares is governed by, amongst other things, the Corporations Act 2001 (“Corporations Act”) and the ASX Listing Rules.

The provisions regulating the trading of shares on the ASX are intended to ensure that the stock market is kept fully informed of relevant information for all listed companies in order that all investors are able to make informed investment decisions when acquiring or disposing of shares.

The provisions also provide that people in possession of "inside information" must not use the information to trade in the relevant shares or to communicate that information to others.

It is therefore important that director and employee shareholders exercise due care in the timing of any dealings in the Company’s shares, and ensure that at all times they comply with the law in connection with trading in the Company shares.

1.2 Purposes

This document sets out the Company policy on dealings in the Company’s shares by the directors and employees. The purpose of this policy is:

- (a) to assist directors and employees avoid conduct known as "insider trading";
- (b) to protect the Company against potentially damaging adverse inferences being drawn that its senior officers and personnel may have engaged in unlawful activity, or acted for their personal benefit using information not available to the public;
- (c) to enable the Company to comply with its obligations under securities legislation and ASX Listing Rules

2. INSIDER TRADING

2.1 What is “Insider Trading”?

The Corporations Act contains three distinct, but related, offences of insider trading. The offences prevent a person in possession of “inside information” from the following actions:

- (a) trading in the relevant shares;
- (b) procuring another person to trade in the relevant shares; or
- (c) communicating the inside information to another person who is likely to trade in the shares or procure someone else to trade.

2.2 What is “Inside Information”?

Inside information is regarded as being information:

- (a) that a person possesses which is not generally available and which the person knows or reasonably ought to know is not generally available; and
- (b) if generally available, a reasonable person would expect that the information might have an effect on the price or value of the shares.

Inside information could relate to actions of the Company or external parties.

The prohibitions do not simply relate to shares, but relate to all other forms of securities, including options, debentures, and units. The prohibitions apply directly to employees of the Company.

2.3 Penalties

Criminal penalties for breaches of the prohibitions on insider trading are severe and include substantial fines or imprisonment for up to five years. Civil liability also attaches to breaches of the relevant provisions.

3. COMPANY POLICY – DESIGNATED PERSONS

3.1 Designated Persons

This Policy applies to the following persons:

- (a) directors and Company Secretary;
- (b) employees;
- (c) any other person who is notified that they are subject to this policy by the Chairperson or the Company Secretary;
- (d) in relation to any person in (a) to (c) above, any of the following “Connected Persons”:
 - (i) their spouse;
 - (ii) any of their children (including step-children) less than 18 years old;
 - (iii) their nominee, including an investment manager managing funds on their behalf (subject to paragraph 3.5 below); and
- (e) in relation to any person in (a) to (c) above:
 - (i) a trust of which they, or their Connected Persons, are the trustee or beneficiary;
 - (ii) a person in partnership with them or their Connected Persons (acting in his or her capacity as such);
 - (iii) a company which they or their Connected Persons control.

These persons in paragraphs (a) to (e) are referred to in this policy as “Designated Persons”.

3.2 General Rules

Designated Persons must not deal in the securities of the Company when they are in possession of price sensitive information relating to the Company which has not been made public.

Designated Persons will not be given clearance to deal in securities of the Company under this policy where price sensitive, non-public information exists in relation to a matter, even though they may not be aware of it.

Designated Persons must not engage in “Tipping” (see below) others with respect to the Company’s securities at any time.

3.3 Derivatives

Designated Persons must not trade in the Company’s derivatives.

3.4 Appropriate Timing

The only appropriate time for a Designated Person to deal in the securities of the Company is when there is no price sensitive information which has not been made public, whether or not the Designated Person is aware of that information.

In addition to this general rule, Designated Persons are not permitted to deal in the securities of the Company in the following Prohibited Periods:

- (a) during the period from 1 January until the earliest release by ASX of either the Company’s net tangible assets statement as at 31 December, or the Company’s statement of cash flows for the period ended 31 December; and
- (b) during other periods as advised by the Company Secretary, for example, when the Company is embarking on a significant transaction or a significant development that has not yet been announced to the market.

In exceptional circumstances, the Chairperson may permit a Designated Person to deal in the securities of the Company during the above Prohibited Periods. The nature of the exceptional circumstances and the justification for the permission must be evidenced in writing.

3.5 Exceptions to General Rule

This policy does not apply in the following circumstances:

- (a) dealing in a managed securities portfolio where the Designated Person is not in a position to influence a choice of the portfolio;
- (b) conversion of securities on exercise of rights granted under an equity incentive plan;
- (c) transfers of securities which result in no change in the beneficial interest in the securities;
- (d) transfers of securities between Connected Persons;
- (e) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (f) where a Designated Person is a trustee, trading in securities by that trust provided the Designated Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Designated Person;
- (g) undertakings to accept, or the acceptance of, a takeover offer;
- (h) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a share purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether

or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

- (i) an issue of securities to a Designated Person where shareholder approval for the issue has been sought and obtained in accordance with ASX listing rules.

3.6 Confidentiality Agreements with External Advisers

It is possible that, as a result of acting for or advising the Company, external advisers to the Company may have access to price sensitive information affecting the securities of the Company.

Whilst these external advisers are not covered by this policy, it is the Company's policy to require such external advisers to enter into confidentiality agreements covering such price sensitive information.

3.7 Trading Approvals

Before any Designated Person deals in securities of the Company (at any time), they must first obtain approval from the Chairperson. Before the Chairperson deals in securities of the Company (at any time), the Chairperson must obtain approval from at least one non-executive director.

This obligation operates at all times.

Designated Persons must not deal in securities of the Company (including shares issued as a consequence of the exercise of options) until approval has been given by the Chairperson, evidenced in writing. The request for approval must be in writing and include a statement that the Designated Person is not in possession of any material non-public information. If approval is given, the Designated Person may ordinarily trade within five business days after receiving the approval. The Designated Person will be notified if the clearance position changes within those five business days. A further application will need to be made if no dealing takes place within the five business days and the Designated Person still wishes to deal.

Designated Persons who have been told that they cannot deal should not communicate this fact to others.

Written notification under this policy may be by email.

3.8 Notification of Dealings

Each of the directors is required to notify the Company Secretary within two business days after any change in their interests in securities of the Company, or the interests of any of their Connected Persons listed above.

This enables the Company to notify the ASX of the change in the director's or Connected Person's interests, which must occur within 5 business days of the change.

All other Designated Persons are required to notify the Company Secretary of any dealing in securities of the Company within five business days of effecting such a dealing.

3.9 Tipping

Designated Persons with inside information must not at any time, directly or indirectly, communicate any insider information or cause the information to be communicated if the director or employee knows or ought to reasonably to know that the other person would be likely to apply for, acquire or dispose or enter into an agreement to acquire or dispose of the relevant shares or procure another person to acquire or dispose of the shares ("tipping").

4. COMPLIANCE WITH SHARE TRADING POLICY

Designated Persons should be aware that they might be charged with criminal offences under the rules and regulations associated with the prevention of insider trading. Accordingly, it is the responsibility of each director and employee to ensure that they abide by the law.

Willful failure to comply with this policy is considered grounds for termination of employment or service.