

**Neurotech International Limited  
ACN 610 205 402**

**SECURITIES TRADING POLICY**

**For ASX Market Release – 31 October 2016**

**Scope of this Policy**

1. This Securities Trading Policy (**Policy**) applies to the following (each a **Designated Person**):
  - (a) all directors and employees of Neurotech International Limited (**Company**) and its subsidiaries; and
  - (b) other persons by agreement of the Company and its subsidiaries (such as contractors, consultants and advisors).
2. In this Policy:
  - (a) **Company Securities** includes:
    - (i) any shares in the Company;
    - (ii) any other securities issued by the Company such as debentures and options; and
    - (iii) derivatives and other financial products issued by third parties in relation to the Company's shares, debentures and options.
  - (b) to **deal in Company Securities** includes:
    - (i) subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
    - (ii) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
    - (iii) entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.
  - (c) **Key Management Personnel** means a person who is "key management personnel" within the meaning of Accounting Standard AASB 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director of the Company.

**Purpose of the Policy**

3. This Policy sets out the circumstances in which the Designated Persons may deal in Company Securities with the objective that no Designated Person will contravene the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) or the listing rules of ASX (**Listing Rules**).

4. The purpose of this Policy is to:
- (a) ensure that the Designated Persons adhere to high ethical and legal standards in relation to their personal investment in Company Securities;
  - (b) ensure that the personal investments of the Designated Persons do not conflict with the interests of the Company and those of other holders of Company Securities;
  - (c) assist Designated Persons to avoid conduct known as "insider trading" in the securities of the Company and its commercial partners, and to avoid any adverse inference being drawn of improper dealings by Designated Persons;
  - (d) preserve market confidence in the integrity of dealings in Company Securities; and
  - (e) ensure the reputations of the Company and its Designated Persons are maintained.
5. This Policy is not designed to prohibit Designated Persons from investing in Company Securities but does recognise that there may be times when Designated Persons cannot or should not invest in Company Securities. This Policy provides guidance to Designated Persons as to the times when Designated Persons may deal in Company Securities.

#### **Outline of Corporations Act requirements**

6. A person is in possession of inside information in relation to the Company (**Inside Information**) in circumstances where:
- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect 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, a reasonable person would expect it to have a material effect on the price or value of Company Securities.
  - (c) A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in Company Securities in any way. It does not matter how the Designated Person to be in possession of the Inside Information.
7. If a Designated Person possesses Inside Information in relation to the Company, that person must not:
- (a) deal in Company Securities in any way; or
  - (b) 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 Company Securities in any way.

8. The Designated Persons may obtain Inside Information in relation to another company. For example in the course of negotiating a transaction with the Company, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Company Securities. The Designated Persons in possession of the Inside Information must not deal in securities of those other companies.
9. A Designated Person who deals in Company Securities while in possession of Inside Information will be liable to both civil and criminal penalties.
10. The penalties include:
- (a) in the case of a natural person, either or both of the following:
    - (i) imprisonment for 10 years; or
    - (ii) a fine of up to the greater of:
      - A. \$810,000; or
      - B. if the court can determine the total value of the benefits that have been obtained by one or more persons and are reasonably attributable to the commission of the offence, 3 times that value;
  - (b) in the case of a body corporate, a fine of up to the greater of:
    - (i) \$8.1 million; or
    - (ii) if the court can determine the total value of the benefits that have been obtained by one or more persons and are reasonably attributable to the commission of the offence, 3 times that value; or
    - (iii) if the court cannot determine the total value of those benefits, 10% of the body corporate's annual turnover during the 12 month period ending at the end of the month in which the body corporate committed, or began committing, the offence; and
  - (c) unlimited civil liability equivalent to the damages caused.

#### **Examples of Inside Information**

11. Examples of information which may be considered to be Inside Information include the details relating to the items listed below (this is not an exhaustive list):
- (a) prospective financial information;
  - (b) proposed transactions;
  - (c) unpublished announcements;
  - (d) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
  - (e) impending mergers, acquisitions, reconstructions, takeovers, etc;
  - (f) significant litigation and disputes;

- (g) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (h) cash flow information;
- (i) major or material purchases or sales of assets; and
- (j) proposed or new significant contracts.
12. This list is not exhaustive and there are many other examples of information that potentially could be price sensitive. Knowledge of the potential for or the likelihood of any of the matters listed above occurring should also be considered to be Inside Information for the purposes of this Policy.
13. For these purposes, "information" extends beyond pure matters of fact and includes matters of opinion and intention. It is not limited to information that is generated by, or sourced from within, the Company, nor is it limited to information that is financial in character or that is measurable in financial terms.

#### **Trading in securities of other entities**

14. Whilst the Policy does not prescribe restrictions on trading in the securities of other entities (other than in accordance with the general prohibition on insider trading set out in paragraph 7 above), Designated Persons should be alert to the likelihood of coming into possession of price sensitive information in respect of the securities of other listed entities as a consequence of the Company's commercial activities.
15. If intending to trade in the securities of the Company's commercial partners, Designated Persons should actively consider whether they may in fact be in possession of price sensitive information in respect of the relevant commercial partner and, if in any doubt as to the legality or propriety of the proposed transaction, seek advice from the Company Secretary.
16. Given the reputational risk to the Company if misconduct occurs in these circumstances, Designated Persons should always err on the side of caution in assessing the nature of their knowledge.
17. Designated Persons are reminded that the insider trading prohibition extends to the passing on of price sensitive information to a third party that would be likely to buy or sell the relevant securities – this prohibition applies to information in respect of the Company's commercial partners to the same extent as it applies to price sensitive information regarding the Company.

#### **Company's policy on dealing in Company Securities**

18. **No short term trading:** Notwithstanding the following, Designated Persons should not engage in short term trading of any Company Securities. In general, the purchase of Company Securities with a view to resale within a 6 month period and the sale of Company Securities with a view to repurchase within a 6 month period would be considered to be transactions of a "short term" nature. However, the sale of shares immediately after they have been acquired through the conversion of a security (e.g. exercise of an option) will not be regarded as short term trading.
19. **No short selling:** Short selling is a legitimate technique used by traders who believe that the market price of a security is likely to fall. However, short selling of Company Securities by Designated Persons may send a negative message to the market about the level of confidence the Designated Person has in the prospects of the Company.

Accordingly, Designated Persons should not engage in short selling of any Company Securities.

20. **No hedging:** Where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction (e.g. writing a call option) that operates or is intended to operate to limit the economic risk of holdings of unvested Company Securities or vested Company Securities which are subject to a holding lock.
21. **No margin lending by Key Management Personnel:** Key Management Personnel must not at any time enter into a transaction that involves using Company Securities as collateral in any financial transaction, including margin lending arrangements.
22. **Recommended trading period:** The recommended times for any Designated Person to deal in Company Securities is during the 4-week period following the:
- (a) release by the Company of a quarterly activities report to ASX;
  - (b) release by the Company of its half yearly results announcement to ASX;
  - (c) release by the Company of its yearly results announcement to ASX; or
  - (d) release of a prospectus or other disclosure document offering equity securities in the Company,

provided that the person is not at the time of dealing, in possession of any Inside Information relating to the Company or Company Securities and, with regard to the circumstances set out in paragraph 22(d), the trading not coinciding with a Closed Period (see paragraph 24 below).

23. **Prior approval for all dealing by Key Management Personnel:** Key Management Personnel must not deal in Company Securities at any time (including during a recommended period under paragraph 19) without the prior written approval of the Chairman or, in his/her absence, the Managing Director. Key Management Personnel must also notify the Company Secretary of their intention to deal in Company Securities and provide the Company Secretary with subsequent confirmation of the trading that has occurred.

The Chairman must not deal in Company Securities without the prior approval of the director designated by the Board for this purpose. The Chairman must also notify the Company Secretary of his/her intention to deal in Company Securities and provide the Company Secretary with subsequent confirmation of the trading that has occurred.

The Company Secretary may require Key Management Personnel seeking approval to trade in Company Securities to certify that the Designated Person is not in possession of any Inside Information that might preclude him/her from trading at that time.

The Company Secretary must keep a record of all approvals given and confirmations of trading. All approved trading must occur within 1 week of the approval being granted unless otherwise specified. Approval to trade may be withdrawn if new information comes to light or there is a change in circumstances.

A decision to withhold or withdraw approval to trade:

- (a) is final and binding on the person seeking approval; and

- (b) must be kept confidential by the person seeking approval.

Generally, dealing in Company Securities by Key Management Personnel should be limited to the recommended times referred to in paragraph 19 above. The Chairman or the designated director (as the case may be) may refuse consent to deal in Company Securities outside these recommended times unless exceptional circumstances exist (for example financial hardship). In any event, Key Management Personnel must not deal in Company Securities at any time if the director or senior executive is in possession of any Inside Information relating to those securities.

24. **Closed periods applicable to Key Management Personnel:** Key Management Personnel are not permitted to deal in Company Securities during the following periods (**Closed Periods**), unless exceptional circumstances apply under paragraph 25:

- (a) between 16 June and the day of release by the Company of its annual report for the period 1 July to 30 June;
- (b) between 16 December and release by the Company of its half-yearly report for the period 1 July to 31 December; and
- (c) any other periods as prescribed from time to time to take account of:
  - (i) the Company's periodic reporting obligations under the Listing Rules; or
  - (ii) specific circumstances requiring the designation of a period of time as a Closed Period.

25. **Exceptional circumstances:** Dealing in Company Securities by Key Management Personnel during a Closed Period may be permitted with the prior written approval of the Chairman, or in his absence, the Managing Director, if the following exceptional circumstances apply:

- (a) severe financial hardship;
- (b) in order to comply with an undertaking given to, or an order by, a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Chairman, or in his absence, the Managing Director.

Any approval given in exceptional circumstances should specify the period for which approval is given, such period to be kept to the minimum sufficient to enable the dealing to occur.

26. **Employees other than Key Management Personnel:** Designated Persons who are not Key Management Personnel may deal in Company Securities at any time provided the Designated Person notifies the Company Secretary before commencing the transaction and, after the transaction has occurred, provides confirmation of the trading. Designated Persons are strongly advised to limit dealing in Company Securities to the recommended times referred to in paragraph 19 above. In any event, a Designated Person must not deal in Company Securities at any time if the Designated Person is in possession of any inside information relating to the Company or Company Securities.

27. **Exceptions to the Policy:** Designated Persons may at any time:



- For personal use only
- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this Policy);
  - (b) acquire Company Securities under a bonus issue made to all holders of securities of the same class;
  - (c) acquire Company Securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
  - (d) acquire, or agree to acquire, options under a Company share option plan;
  - (e) exercise options acquired under a Company share option plan (but may not sell all or any of the shares received upon exercise of the options other than in accordance with this Policy);
  - (f) transfer the Company Securities already held into a superannuation fund or other saving scheme in which the Designated Person is a beneficiary, subject to ensuring the transfer does not contravene the laws prohibiting insider trading;
  - (g) invest in, or trade units of, a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party; and
  - (h) accept a takeover offer,

in all cases, subject to the proposed dealing not constituting a breach of the Corporations Act.

#### **ASX notification by directors**

- 28. In accordance with the Listing Rules, a director must notify the ASX within 5 business days after any change in a Director's relevant interest in Company Securities or a related body corporate of the Company.
- 29. A Director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the Listing Rules.

#### **Consequences of breach**

- 30. Strict compliance with this Policy is mandatory for all persons covered under this Policy. Breaches of this Policy may damage the Company's reputation in the investment community and undermine confidence in the market for Company Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

#### **Questions / further information**

- 31. Any questions or need for further information on how to comply with this Policy should be directed to the Company Secretary.