

1. Adherium Limited ACN 605 352 510 - Trading Charter

The Board has adopted the following policies regarding the buying and selling of the Company's securities, and communication of inside information by directors, officers and other employees. If any material changes are to be made to this policy Adherium Limited ACN 605 352 510 (**Company**) must, within 5 days, give the amended trading policy to the company announcements office for release to the market.

1.1 Meanings

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ACN 008 624 691;

Inside Information means any information that is not generally available but which, if it were, a reasonable person would expect that information to have a material effect on the price or value of the Company's Securities;

Insider Trading means buying or selling, or procuring or encouraging another person to buy or sell Securities whilst in the possession of Inside Information;

Security means:

- (a) a share in the Company; or
- (b) a debenture of the Company; or
- (c) a right or interest in a share or debenture of the Company; or
- (d) an option to acquire a share, debenture, or right or interest in a share or debenture of the Company.

1.2 Trading in Securities - position at law

The Company's shares are listed on ASX. Under Australian law, it is a serious offence for a person who possesses Inside Information to:

- (a) engage in Insider Trading; or
- (b) communicate (directly or indirectly) Inside Information to another person if he or she knows or ought to know that the other person would be likely to engage in Insider Trading.

A single offence for breach of Insider Trading provisions carries a penalty of a fine of up to \$220,000 or 5 years imprisonment or both, in addition to other remedies (eg paying compensation for damages suffered by the other party to the transaction or banning orders (which prohibit a person from supplying financial services) issued by ASIC).

Information possessed by one person may in certain circumstances be deemed to be possessed by another (eg information obtained by a director in the course of performing his or her duties is imputed to the company, information obtained by a member of a partnership in his or her capacity as a member is imputed to the partnership) and therefore care must be taken to ensure that one does not unintentionally breach the relevant provisions due to information being in another's possession.

1.3 Communication of Inside Information policy

Any director, officer or employee in possession of Inside Information concerning the Company has a duty to:

- (a) keep that information confidential;
- (b) take all reasonable steps to secure and keep secure that information in their possession; and
- (c) not disclose or communicate that information to any person without the prior written consent of the Board, except:
 - (i) where necessary to comply with any court order, applicable law or the rules of any applicable securities exchange provided that written notice is first given to the Board of the proposed disclosure and, to the extent practicable, reasonable endeavours are made to comply with any request by the Board concerning the proposed disclosure; or
 - (ii) to any fellow employee, professional adviser, banker, auditor or other consultant of the Company (**Receiving Party**) strictly on a "need to know basis", provided that prior to disclosure, the Receiving Party is notified of the confidential nature of the information to be disclosed and gives a signed undertaking (for the benefit of the Company) agreeing to be bound by the confidentiality and other obligations in this policy in relation to that information.

1.4 Securities trading policy

This is a very broad prohibition. It applies to all directors, officers and employees of the Company at all times, even during trading periods permitted under this policy. The Company requires strict compliance with this policy.

- (a) General prohibition

Trading in the Securities by all directors, officers and employees of the Company is prohibited when the relevant person is aware of any Inside Information. Without limiting the application of this general prohibition, the Chairman of the Company may from time to time declare a "closed period" where there is the possibility of any person possessing Inside Information.

- (b) Trading notice:

Where any employee of the Company (including its directors) proposes dealing at any time in the Securities, prior approval from the Chairman is required in order to determine whether such a transaction might be sensitive or infringe the general prohibition on Insider Trading (see paragraph 1.4(a) above). For this purpose the relevant person must provide at least *7 days* prior written notice to the Chairman of the proposed trading in the Securities. This notice may be a "standing notice" that the relevant person intends to buy or sell the Securities over a specified period (up to a maximum of 5 business days after expiry of the notice to the Chairman) or may specify that the relevant person intends to buy or sell the Securities up to a maximum amount as specified in the notice to the Chairman.

- (c) Specific "closed period"

Trading in the Securities is not permitted in the period leading up to the publication of yearly and half-yearly results. No director, officer or employee may buy or sell any Securities at any time during the following periods:

- from 1 August until one week after the release of the Company's full year results; and
- from 1 January until one week after the release of the Company's half year results.

(d) Trading during a "closed period" in exceptional circumstances

The Company recognises that directors, officers or employees may need to trade in the Company's securities in exceptional circumstances (even during a "closed period").

Company securities may be traded due to exceptional circumstances if:

- the circumstances relate to severe financial hardship that cannot be satisfied other than by selling the securities;
- the person is not in possession of inside information; and
- the person has complied with the approval process contained in this policy.

If a director, officer or employee wishes to trade in securities of the Company in exceptional circumstances he/she must give written notice (which includes email) to the chairman seeking consent no less than 5 business days before the proposed trade. Such notice must set out:

- the number of securities to be traded;
- the proposed date(s) for the trade(s);
- the exceptional circumstances involved; and
- a statement confirming that they are not in possession of any inside information.

The director, officer or employee must not trade the Company securities unless and until receiving permission for the proposed trade. A decision to permit or not to permit the proposed trade is at the sole discretion of the Chairman, taking into account the person's circumstances and the ASX Listing Rules. Where permission is given, the notification must set out the period in which the securities can be traded and be advised in writing (which includes email).

Permission to trade is an exemption from the operation of this policy and is not an approval to trade. The person intending to deal in Company securities is personally responsible for any decision to trade or otherwise deal and for compliance with the law.

(e) Excluded trades

The following types of trades are expressly excluded from the operation of this policy

- transfer of securities already held into a superannuation fund;

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- acceptance of a takeover offer

(f) Register of Dealings

Any director of the Company selling any of his or her Securities in the Company or a related body corporate must submit a section 205G notice to the Company Secretary who will keep a register of all such dealings. The register will be tabled at each Board meeting and will be available for inspection by directors at any time (section 205G of the Corporations Act requires notification to ASX within 14 days of the appointment of the director to the company, and thereafter within 14 days of a change in the director's interest in Securities of the Company and its related bodies corporate). The Company Secretary will prepare and circulate to directors in advance of each Board meeting a summary of transactions notified since the previous Board meeting.

(g) Notifiable interests

Despite the provisions of section 205G, the Company requires all directors to provide in a timely manner (and in any event not more than 2 business days after any change in their notifiable interests in the Securities) details of any change. Under ASX Listing Rule 3.19A.2 the Company is required to complete and lodge with ASX an appendix 3Y within 5 business days after the change in the relevant director's notifiable interest.

Details of purchases or sales of Securities by officers and employees must also be notified as soon as possible in writing to the Company Secretary to be recorded in the register kept for that purpose.

Each director, officer and employee is obliged to ensure that each of his or her related or associated entities complies with this securities trading policy. A related or associated entity includes:

- a spouse and any non-adult children;
- a "Family Company" or "Family Trust" (as those terms are defined in the ASX Market Rules); and
- a company in which a director, officer or employee of the Company is a director, has a "relevant interest" (as that term is defined in sections 608 and 609 of the Corporations Act) or in which he or she holds voting power in respect of 20% or more of the shares of that company.

(h) Breach

Any breach of this policy must be immediately advised to the Company Secretary, who, in turn, will report to the Board.

A breach of this policy may result in disciplinary action, which may include termination of employment in serious cases.

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