

Revised Securities Trading Policy

23 June 2023

ASX Market Announcements Office
Australian Securities Exchange
525 Collins Street
Rialto, South Tower Level 50
Melbourne VIC 3000

Revised Securities Trading Policy

Please find attached a copy of the revised Securities Trading Policy lodged with the ASX in accordance with ASX Listing Rule 12.10 and 12.12.

A copy of the Securities Trading Policy is available on the Rhythm Biosciences Ltd website at www.rhythmbio.com.

- ENDS -

Authorisation & Additional Information

This announcement was authorised by the Board of Directors of Rhythm Biosciences Limited.

For further information contact: investor@rhythmbio.com or on +61 3 8256 2880:

Mr. Otto Buttula Executive Chairman T: +61 3 8256 2880	Mr. Paul Smith CFO & Company Secretary T: +61 3 8256 2880
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About Rhythm Biosciences

Rhythm Biosciences Ltd (ASX: RHY) is an Australian innovative, medical diagnostics company aimed at delivering simple, affordable blood tests for accurate and early detection of cancers. Rhythm is focused on improving patient outcomes through detection at the earliest possible stage, reducing the global burden of cancer and saving lives.

Rhythm Biosciences is committed to working with likeminded global partners to achieve commercialisation and distribution of these simple solutions.

The company was founded in 2017 and is headquartered in Melbourne, Australia. For more information, visit rhythmbio.com and follow the company on LinkedIn and Twitter.

About ColoSTAT®

Colorectal cancer (CRC), also referred to as bowel cancer, is the second leading cause of cancer deaths globally. If diagnosed early, colorectal cancer is curable.

The ColoSTAT® Test-Kit is Rhythm Bioscience's simple blood test for the detection of CRC. It measures five specific protein biomarkers that indicate the likelihood presence of CRC. The test can be used as an alternative for individuals who are unable or unwilling to participate in current screening programs.

The ColoSTAT® Test-Kit is based on research from Australia's CSIRO and is patent protected internationally. It has the potential to play a key role in reducing the mortality rate and healthcare costs associated with colorectal cancer.

Securities Trading Policy

June 2023

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Purpose

This securities trading policy (**Policy**) sets out the policy for Rhythm Biosciences Ltd (the Company) regarding dealing in Company securities.

In this Policy, securities includes the Company's shares as well as options, warrants, debentures, a renounceable or unrenounceable right to subscribe for a share in, or debenture of the Company and any other security on issue from time to time (**Securities**). It aims to ensure compliance with Insider Trading laws and to protect the reputational damage arising from Insider Trading.

Scope

This policy applies to all Executive and Non-executive directors, officers and employees of the Company (including those defined as Key Management Personnel) and their associates (collectively, **Restricted Persons**) of the Company, and its subsidiaries, if any (collectively, **Group**).

The term “trading” is used for convenience to refer to any form of dealing including:

- buying, selling, acquiring, disposing of, transferring, or granting or receiving interests in securities;
- granting or receiving interests in securities may include but is not limited to directly or indirectly granting, allowing the grant of or becoming entitled to a security interest in or over securities;
- lending securities is a form of dealing in securities (note, particular additional restrictions apply to lending securities);
- transfer of legal ownership of Securities, even where beneficial ownership does not change (for example, the transfer from an employee incentive trust to an employee’s own account, superannuation fund or family trust); and
- transfer of beneficial ownership of Securities, even where legal ownership does not change; or transfer Securities between accounts, brokers or sponsors (for example, transfer from SRN to HIN or HIN to HIN);

whether as principal or on behalf of someone else.

When you want to trade in Company securities you must comply with the requirements of this Policy and any supporting procedures.

Policy

The Company has adopted this Policy to regulate trading by Restricted Persons in Securities.

All Restricted Persons must comply always with the provisions of the Corporation Act and, whilst the Company is listed, the Australian Securities Exchange (**ASX**) Listing Rules concerning securities trading including:

- Insider Trading provisions;
- market manipulation provisions; and
- notification requirements.

It is each Restricted Person's own responsibility to ensure that they are fully aware of their legal obligations with respect of securities trading.

All trading in Securities by Restricted Persons must be in accordance with this Policy. Despite anything else in this Policy, Restricted Persons should not trade in the Securities when they possess Inside Information relating to the Company that is not generally available to the market.

Price Sensitive Inside Information

Inside Information is information which is not generally available to the public and which a reasonable person would expect to have a material effect on the price or value of securities. The person who holds the information knows, or ought reasonably to know, the information is not generally available and, if it were, might materially affect the price or value of the Company's securities.

Examples of Inside Information include, but are not limited to:

- A material variance in the financial performance of the Company;
- The signing or termination of a joint venture;
- A proposed or actual takeover;
- An unexpected liability or legal claim against the Company;
- Proposed share issue or other capital raising event; or
- Changes in management.

Information is considered generally available if:

- It can be easily observed;
- It has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- It may be deduced, inferred or concluded from the above.

Information would be likely to have a material effect on the price or value of Company securities if the information might influence persons who commonly acquire Securities in deciding whether to acquire or dispose of Company securities.

Inside Information may also be referred to as 'price sensitive information', 'market sensitive information', 'confidential market sensitive information' or 'material non-public information'.

Insider Trading

Restricted Persons who possess Inside Information relating to the Company, are prohibited in all circumstances from:

- Trading in Securities in the Company;
- Procuring or causing to procure others to trade in Securities in the Company;
- Directly or indirectly communicating the Inside Information to another person (including by giving hints or tips) who the Restricted Person believes, knows or should know would or would be likely to use the Inside Information to trade in the Securities in the Company in any way or procure a third person to trade in the Securities in the Company; and
- Use the Inside Information to gain an advantage for themselves or someone else, or to cause detriment to the Company.

Insider Trading is strictly prohibited by law, and it is incumbent upon all Restricted Persons to uphold that prohibition. Insider Trading, or the perception of Insider Trading, by any Restricted Person will not be tolerated.

This prohibition applies at all times including to Excluded Trading and during Trading Windows. All trades must be approved as per the Pre-Dealing procedure prior to commencing a trade in RHY shares by the Restricted Persons. It overrides all other provisions of this Policy.

Before trading, you should consider carefully whether you are aware of any Inside Information and if you are in doubt you must not trade.

Insider Trading is a crime and can result in imprisonment, fines, orders to pay compensation and other penalties against the Company and Restricted Persons.

Closed Periods

Given the heightened risk of actual or perceived Insider Trading, the Board has determined Restricted Persons are prohibited from dealing in Company Securities during the following periods (**Closed Periods**):

- the fourteen (14) day period prior to release of the Company's half yearly accounts to the ASX until the opening of the Trading Window the second business day following the release;
- the fourteen (14) day period prior to release of the Company's annual accounts to the ASX until the opening of the Trading Window the second business day following the release;
- the fourteen (14) day period prior to release of the Company's quarterly activities & cashflow reports to the ASX until the opening of the Trading Window the second business day following the release; and
- any other period determined by the Board from time to time to be a Closed Period.

The Company Secretary will notify Restricted Persons of the precise opening and closing date of any other period determined by the Board to be a Closed Period as provided for above.

Excluded Trading

ASX Listing Rule 12.12.3 permits trading in certain circumstances, namely if the trading falls within an exclusion, or the trading occurs within a permitted trading window, or if there are exceptional circumstances which enable the trading to occur. However, if a Restricted Person is in possession of Inside Information about the Company's Securities prior to or while trading, no exception applies and the trading is prohibited under relevant Insider Trading laws.

The following types of trades are expressly excluded from the operation of, and the restrictions specified under this Policy:

- Transfer of Securities already held in a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary, but the Restricted Person has no control or influence over the investment decisions made by the superannuation fund or saving scheme with prior written consent;
- An investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- Where a Restricted Person is a trustee, trading in Securities by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- A disposal of Securities arising from the acceptance of a takeover offer or scheme of arrangement or arrangement or equal access buy-back;
- Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution investment plan (DRP) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. In the case of a DRP, the Restricted Person must only elect to participate in the DRP when they are not in possession of Inside Information and may not change that election until they are again not in possession of Inside Information;
- A disposal of Securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. Any such arrangements of this kind must be disclosed in writing to the CEO and Company Secretary;
- Receipt of Securities for which shareholder approval has been obtained which may include the acquisition of Securities under an employee incentive scheme;
- The issue of Securities upon the conversion of convertible securities (i.e. exercise of options, conversion of performance rights etc);
- Receipt of Securities pursuant to an incentive scheme of the Company where the offer of such Securities is either made on a periodic basis as disclosed to ASX or the offer was made prior to or following a Closed Period;

- The exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the Security, falls during a Closed Period and where the Restricted Person could not reasonably have exercised the options at a time prior to the Closed Period; and
- Trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where:
 - The Restricted Person did not enter the plan or amend the plan during a Closed Period;
 - The trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and
 - The Company's trading policy does not allow the Restricted Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.

Trading inside a Closed Period - Exceptional Circumstances

A Restricted Person, who is not in possession of Inside Information affecting Securities, may be given prior written approval to sell or otherwise dispose of Securities during a Closed Period where there are exceptional circumstances.

Whether severe financial hardship or other exceptional circumstances exist is to be determined by the Chair or, if in the case of the Chair, by the Board in its sole and absolute discretion. Exceptional circumstances may include:

- severe financial hardship which means a Restricted Person has a pressing financial commitment that cannot be satisfied otherwise than by selling the Securities. By example, the tax liability of a Restricted Person would not normally constitute severe financial hardship unless the Restricted Person has no other means of satisfying the liability;
- if the Restricted Person is required by a court order, or there are court enforceable undertakings to transfer or sell the Securities or there is some other overriding legal or regulatory requirement for the Restricted Person to do so; or
- a situation determined by the Chair or, in the case of the Chair, the non-executive Directors, to be an exceptional circumstance.

If a Restricted Person wishes to trade in Securities in exceptional circumstances, the Restricted Person must give written notice to the Company to obtain Dealing Clearance and include the information required as set out in this Policy including the number of shares to be traded, the proposed date for the trade, details of the exceptional circumstances involved and a statement confirming that they are not in possession of any Inside Information.

Pre-Dealing Procedure - trading outside Closed Periods

For all periods during which trading in the Company's Securities is permitted in accordance with this Policy, Restricted Persons must obtain prior written approval to trade in Securities (**Dealing Clearance**).

A clearance request must be made in writing (which can be by email) to the Chair or CEO / MD and provide:

- full name under which Securities are held (including HIN/SRN);
- details of the proposed trade including:
 - o the number and type of Securities;
 - o nature of the trade including if there are any exceptional circumstances involved;
 - o date of proposed trade;
 - o name of the Restricted Person;
 - o reasons for requesting the approval;
 - o confirmation that the Restricted Person (as the case may be) is not in the possession of Inside Information; and
 - o confirmation that the Restricted Person understands their obligation set out in this Policy and acknowledges they are personally responsible for any decision to trade.

In the case of the Chair, a request must be made in writing (which can be by email) to the non-executive Directors, and in the case of other Directors, to the Chair or their nominee and provide:

- full name under which Securities are held (including HIN/SRN);
- details of the proposed trade including:
 - o the number and type of Securities;
 - o nature of the trade including if there are any exceptional circumstances involved;
 - o date of proposed trade;
 - o name of the Restricted Person;
 - o reasons for requesting the approval;
 - o confirmation that the Restricted Person (as the case may be) is not in the possession of Inside Information; and
 - o confirmation that the Restricted Person understands their obligation set out in this Policy and acknowledges they are personally responsible for any decision to trade.

The approver must respond promptly by e-mail and may grant or refuse the request at its sole discretion, without giving any reasons. A refusal is final and binding on the person who made the request, and must be kept confidential by that person and not disclose the fact that their clearance to trade has been refused or withdrawn.

The Dealing Clearance will remain in force for two (2) full business days after the date of approval, unless otherwise notified by the approver. If the trade is not placed within this time, the Dealing Clearance will no longer have effect and a new Dealing Clearance must be requested and obtained.

A Restricted Person who has received a Dealing Clearance must inform the Company Secretary that the trade has occurred by no later than the next business day.

A Dealing Clearance is not an endorsement of a trade. The Restricted Person is responsible for their own investment decisions and compliance with the law.

Any approval to trade in the Company's Securities by a Restricted Person in accordance with this Policy is automatically deemed to be withdrawn if the Restricted Person becomes aware of any Inside Information prior to or during any approved dealing in the Company's Securities.

Application of restrictions to family members and others

Several of the restrictions provided for in the Corporations Act, ASX Listing Rules and the Company's corporate governance policies prohibit the communication of Inside Information to other people or arranging for another person to trade in securities.

Where a person related to or closely connected with a Restricted Person undertakes trading in the Company's Securities, which are restricted by this Policy, there is often a presumption that such person has been privy to information held by the Restricted Person. If that presumption is correct, both the Restricted Person and the other person may have engaged in Insider Trading. Even if that presumption is incorrect, such trading may create a perception of Insider Trading.

Accordingly, to the extent it is in Restricted Persons' power to do so, Restricted Persons should ensure that any Securities trading which is prohibited by this Policy is not undertaken by their:

- spouse, partner or dependent child (including dependent adult children and dependent step-children);
- immediate family members such as a parent, child, sibling, in-laws or other relative living in the Restricted Persons home or to whom material support is contributed;
- a company or trust over which the Restricted Person has influence or control (regardless of who is the beneficiary);
- a trust of which the Restricted Person is a beneficiary (other than a trust over which the Restricted Person exercises no control, i.e. a third person or entity exercises exclusive discretionary authority); and
- any other person over whom Restricted Person has investment control or influence.

Notifiable Interests

Executive & Non-Executive directors must provide to the Company Secretary all information regarding trading in the Company Securities within 2 (two) days of a trade in the Company's securities to ensure compliance with all requirements of the Corporations Act and the ASX Listing Rules.

Anti-hedging Policy

Restricted Persons are not permitted to enter transactions with Securities (or any derivative thereof) in associated products which limit the economic risk of any unvested entitlements or vested entitlements (subject to a holding lock) under any equity-based remuneration schemes offered by the Company.

Review of this Policy

This Policy will be reviewed when legislation relating to Insider Trading changes and otherwise at least every year by the Company's Directors, having regard to the changing circumstances of the Company and any changes to this Policy will be notified to affected persons in writing. Material changes in the Policy will be notified to the ASX in accordance with the Listing Rules.

Breaches of this Policy

Strict compliance with this Policy is mandatory for Restricted Persons. Breaches of this policy may damage the Company's reputation and undermine confidence in the market for Company Securities.

Breach of this Policy may be regarded as misconduct, which may lead to disciplinary action (including termination of employment or engagement).

Any Restricted Person who becomes aware of a violation of this Policy must immediately report the violation to the Company Secretary.

It should be noted the Company may be obliged to notify regulatory and / or criminal authorities of a serious breach of this Policy.

Compliance Statement

This Policy is a requirement under the ASX Listing Rules.

This Policy prohibits trading in Securities when an individual is in possession of Inside Information as this could lead to penalties, imprisonment or reputational damage to the Group and the individual.

Further Information

If you have any questions or need further information on how to comply with this Policy, please contact the Company Secretary.

Relevant Documents

Related internal documents:

Your individual employment agreement which incorporates other Company policies, codes, guidelines.

External sources of obligations:

ASX Listing Rules including but not limited to Guidance Note 27 (Trading Policies) *Corporations Act* 2001 (Cth).

Glossary of Terms

Closed Period is a period in which Restricted Persons are prohibited from trading in Company Securities as defined in this Policy, unless under exceptional circumstances.

Inside Information is price sensitive information relating to the Company that is not generally available to the public, which a reasonable person would expect to have a material effect on the price or value of Company 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;

Key Management Personnel or **KMP** has the same meaning given to the term in Accounting Standard AASB 124 Related Party Disclosures being any person who has authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise).

Restricted Person includes all Executive and Non-Executive directors, officers, employees and contractors of the Company, (including those defined as Key Management Personnel) and their associates.

Trading Window is a period that is not a Closed Period. A Trading Window commences on the second business day following the end of a Closed Period. It continues until a Closed Period commences again, subject to any other trading restrictions imposed by the Board.