

ASX Announcement

Securities Trading Policy

Sydney Australia, 6 August 2024: In accordance with ASX Listing Rule 12.10, Recce Pharmaceuticals Limited (**ASX:RCE, FSE:R9Q**), (**Recce**), the company developing a New Class of Synthetic Anti-Infectives, advises that it has amended its Securities Trading Policy. A copy of the updated Securities Trading Policy is attached and is also available to view on the Recce website in the corporate governance section.

This announcement has been approved for release by Recce Pharmaceuticals Board.

About Recce Pharmaceuticals Ltd

Recce Pharmaceuticals Ltd (ASX: RCE, FSE: R9Q) is developing a New Class of Synthetic Anti-Infectives designed to address the urgent global health problems of antibiotic-resistant superbugs and emerging viral pathogens.

Recce's anti-infective pipeline includes three patented, broad-spectrum, synthetic polymer anti-infectives: RECCE® 327 (R327) as an intravenous and topical therapy that is being developed for the treatment of serious and potentially life-threatening infections due to Gram-positive and Gram-negative bacteria, including their superbug forms; RECCE® 435 (R435) as an orally administered therapy for bacterial infections; and RECCE® 529 (R529) for viral infections. Through their multi-layered mechanisms of action, Recce's anti-infectives have the potential to overcome the processes utilised by bacteria and viruses to overcome resistance – a current challenge facing existing antibiotics.

The World Health Organization (WHO) added R327, R435, and R529 to its list of antibacterial products in clinical development for priority pathogens, recognising Recce's efforts to combat antimicrobial resistance. The FDA granted R327 Qualified Infectious Disease Product designation under the Generating Antibiotic Initiatives Now (GAIN) Act, providing Fast Track Designation and 10 years of market exclusivity post approval. R327 is also included on The Pew Charitable Trusts' Global New Antibiotics in Development Pipeline as the sole synthetic polymer and sepsis drug candidate in development.

Recce wholly owns its automated manufacturing, supporting current clinical trials. Recce's anti-infective pipeline aims to address synergistic, unmet medical needs by leveraging its unique technologies.



ASX: RCE, FSE: R9Q

Head Office: Level 23, 180 George St, Salesforce Tower, SYDNEY NSW 2000 **T** +61 (02) 9256 2505

R&D Centre - Perth: Suite 10, 3 Brodie Hall Drive, Technology Park, BENTLEY WA 6102 **T** +61 (8) 9362 9860

Washington Office: 1717 Pennsylvania Avenue NW, Suite 1025, WASHINGTON DC 20006 USA



Updated and approved by the Board 6 August 2024

Corporate Governance Policy – Securities Trading Policy

Recce Pharmaceuticals Ltd

ACN 124 849 065

Securities Trading Policy

1 INTRODUCTION

This policy imposes constraints on Directors and employees of the Company Trading in Securities of the Company and Securities of other entities.

If you do not understand any part of this policy, the summary of the law, or how it applies to you, you should raise the matter with your manager or the Company Secretary before dealing with any Securities covered by this policy.

Definitions of capitalised terms are set out in section 16 of the policy.

This policy has been adopted by the Board of the Company.

2 WHO IS COVERED BY THIS POLICY

This policy applies to all Recce Team Members, including:

- (1) Directors of the Company and its Subsidiaries;
- (2) Employees of Recce Group regardless of where based, whether full time, part time or casual; and
- (3) contractors and consultants whose terms of engagement with Recce Group apply this policy to them.

3 RATIONALE FOR THE POLICY

Under Australian corporations legislation, the insider trading laws operate to prohibit people in possession of non-public price-sensitive information from dealing in Securities or passing on the information to other people who may deal in Securities.

This policy is intended to:

- (1) assist Recce Team Members to understand and comply with their legal obligations relating to insider trading;
- (2) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules; and
- (3) protect the reputation of the Company and its Directors and officers by seeking to avoid the possibility that misconceptions, misunderstandings or suspicions might arise as a result of Trading by Directors and others who may be, or be perceived to be, in possession of Inside Information. This policy seeks to do so by imposing restrictions on the Trading of Securities by Recce Team Members.

4 INSIDER TRADING LAWS

4.1 Prohibition

In summary, if you have any Inside Information (defined in section 4.3 below) about the Company (or another relevant entity, such as a company with which the Company is considering a transaction) which is not publicly known, it is an offence for you to:

- (1) Trade in Recce Securities (or Securities of the other relevant entity); or
- (2) advise or procure another person to trade in Recce Securities (or Securities of the other relevant entity); or
- (3) pass on Inside Information to someone else (including colleagues, family or friends) knowing (or where you should have reasonably known) that the other person will, or is likely to, use that information to trade in, or procure someone else to Trade in, Recce Securities (or Securities of the other relevant entity).

4.2 Consequences of insider trading

This offence, called "insider trading", can subject you to:

- (1) criminal liability including large fines and/or imprisonment;
- (2) a civil penalty (fine) of up to hundreds of thousands of dollars; and
- (3) civil liability, which may include being sued for any loss suffered as a result of illegal trading.

4.3 Inside information

"Inside information" is information that:

- (1) is not generally available; and
- (2) if it were generally available, a reasonable person would expect that it would — or would be likely to — influence investors in deciding whether to buy or sell particular securities.

The financial impact of the information is important, but strategic and other implications can be equally important in determining whether information is inside information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including the Company) and information which is insufficiently definite to warrant disclosure to the public.

Importantly, you need not be an "insider" to come across inside information. That is, it does not matter how you come to know the inside information (for example, you could learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a dinner party).

4.4 Examples of insider trading

The following list is illustrative only. Inside Information could include:

- (1) the financial performance of the Company against its budget;
- (2) a possible acquisition or sale of any assets by the Company;
- (3) a possible change in the Company's capital structure;
- (4) market sensitive information such as a material upgrade or downgrade in forecast earnings;

- (5) a material trading update;
- (6) a proposed dividend;
- (7) senior management changes;
- (8) development of a new business line or product offering; or
- (9) any possible claim against the Company or other unexpected liability.

4.5 **Insider trading is prohibited at all times**

If you possess Inside Information, you must not buy or sell Recce Securities, advise or get others to do so or pass on the Inside Information to others. This prohibition applies regardless of how you learn the information. The prohibition on insider trading applies not only to information concerning Recce Securities. If a person has Inside Information in relation to Securities of another company, that person must not deal in those Securities.

4.6 **Confidential information**

Related to the above, Recce Team Members also have a duty of confidentiality to the Company. You must not reveal any confidential information concerning the Company, use that information in any way which may injure or cause loss to the Company, or use that confidential information to gain an advantage for yourself.

5 **BLACKOUT PERIODS**

The relevant approver (set out in Part B of Schedule 1) will generally not allow Recce Team Members to deal in Securities of the Company as a matter of course in the following periods:

- (1) two weeks prior to, and before market open on the business day following the release to the ASX the Company's Annual Financial Report;
- (2) two weeks prior to, and before market open on the business day following the release to the ASX the Half Year Financial Report of the Company;
- (3) two weeks prior to, and before market open on the business day following the release to the ASX the Company's quarterly reports (if applicable); and
- (4) two weeks prior to, and before market open on the business day following the Company's Annual General Meeting,

(together the **Blackout Periods**).

The Company may at its discretion vary this rule in relation to a particular Blackout Period or may impose additional restrictions on Trading in Recce Securities by general announcement to all Recce Team Members either before or during the Blackout Periods as it considers appropriate. Any restriction communicated by the Company to any or all Recce Team Members under this clause must be kept strictly confidential. However, if a Recce Team Member is in possession of Inside Information which is not generally available to the market, then they must not deal in Recce Securities at any time.

6 EXCEPTIONS

6.1 Recce Team Members do not need to seek approval to Trade where the disposal/acquisition of Securities arises from:

- (1) an acquisition of Recce Securities under a bonus issue made to all holders of Securities of the same class;
- (2) an acquisition of Recce Securities under a security purchase plan or dividend purchase plan where the Recce Team Member did not commence or amend their participation in the plan during a Blackout Period;
- (3) a disposal of rights acquired under a pro rata issue;
- (4) an acquisition of Recce Securities under a pro rata issue;
- (5) an acquisition of Recce Securities under an employee incentive scheme (however, the additional restrictions in this policy apply to any subsequent trade of any Recce Securities issued to (or for the benefit of) a Recce Team Member under an employee incentive scheme);
- (6) a transfer of Recce Securities already held to a Recce Team Members superannuation fund or other saving scheme in which the Recce Team Member is a beneficiary;
- (7) making 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;
- (8) where a Recce Team Member is a trustee, trade in the Recce Securities by that trust, provided the Recce Team Member is not a beneficiary of the trust and any decision to trade during a Blackout Period is taken by the other trustees or by the investment managers independently of the Recce Team Member;
- (9) a disposal of Recce Securities arising from the acceptance of a takeover offer, scheme of arrangement or equal access buy-back; or
- (10) where a Recce Team Member has been granted approval to enter into margin lending or other secured financing arrangement, an involuntary disposal of securities that results from the margin lender or financier exercising its rights under the arrangement.

6.2 In respect of any employee incentive plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in section 5.

6.3 Were this is to occur at a time when the person possessed Inside Information, then the sale of Recce Securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the Inside Information that the person possessed and the person may not have made a profit on the sale. Where Recce Securities are provided to a lender as security by way of mortgage or charge, a sale

that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws

7 NOTIFICATION OF PERIODS WHEN RECCE TEAM MEMBERS ARE NOT PERMITTED TO TRADE

The CEO (or their delegate) will endeavour to notify all Recce Team Members of the times when they are not permitted to buy or sell Recce Securities as set out in section 5.

8 APPROVAL AND NOTIFICATION REQUIREMENTS

8.1 Approval requirements

Any Recce Team Member, or Associate, who wishes to Trade in the Recce Securities at any time must seek prior approval in writing from the relevant approver in Part A or Part B (as the context requires) of Schedule 1.

8.2 Approvals to Trade Recce Securities

- (1) All requests to Trade Recce Securities as referred to in section 8.1 must:
 - A. be made in writing using the form in Schedule 2 entitled 'Request for Prior Written Clearance to Trade in Recce Securities';
 - B. be made by the Recce Team Member (whether the Trading is proposed by them directly, or one of their Associates);
 - C. specify the intended number or value of Securities to be purchased, sold or transferred;
 - D. be accompanied by confirmation that the Recce Team Member (and, where relevant, their Associate) is not in possession of any Inside Information; and
 - E. if applicable, be accompanied by copies of relevant supporting documentation referred to in sections 8.5 and 8.6.

The request may be submitted to the relevant approver in person or email.

- (2) If approved, clearance to Trade will be confirmed in writing and will be valid for five business days (inclusive of the approval date) or such other period as may be determined by the approver. No Trade may be executed beyond that relevant period without having first sought and received further clearance to Trade. Written clearance under this policy may be given in person or by email.
- (3) Trading must not occur until approval has been granted in writing.
- (4) Any clearance to Trade can be given or refused by the approver without giving any reasons and the decision to refuse clearance is final and binding on the person seeking clearance.
- (5) Where clearance is denied, the Recce Team Member or Associate must not proceed with the proposed Trade and the information that clearance to Trade was refused must be kept confidential and not disclosed to anyone.

- (6) A clearance to Trade can be withdrawn by the approver if new information arises or there is a change in circumstances.
- (7) Copies of written approvals must be forwarded by the approver to the Company Secretary prior to the approved purchase or sale transaction.

8.3 Additional requirements for Key Management Personnel sales of Securities

Key Management Personnel need to be mindful of the market perception associated with any sale of Recce Securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Recce Securities (i.e. a volume that would represent a volume in excess of 10% of the total Securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by a Key Management Person needs to be discussed with the Board prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

8.4 Exemption from Blackout Period restrictions due to exceptional circumstance

Recce Team Members who are not in possession of inside information in relation to the Company, may be given prior written clearance by the relevant approver in Part B of Schedule 1 to sell or otherwise dispose of Recce Securities in a Blackout Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

The determination of whether a Recce Team Member is in severe financial hardship or there are exceptional circumstances will be made by the relevant approver in Part B of Schedule 1.

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

8.5 Financial hardship

Recce Team Members may be in severe financial hardship if they have a pressing financial commitment such that a sale of the Recce Securities is the only reasonable option available to resolving the hardship.

In the interests of an expedient and informed determination by the relevant approver in Part B of Schedule 1, any application for an exemption allowing the sale of Recce Securities in a Blackout Period based on financial hardship must be made in writing in accordance with sections 8.1 and 8.2, stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).

Any exemption, if issued, will be confirmed in writing and will be valid for five business days (inclusive of the approval date) or such other period as may be determined by the approver. No Trade may be executed beyond that relevant period without having first sought and received further clearance to Trade.

8.6 Exceptional Circumstances

Exceptional circumstances may apply to the disposal of Recce Securities by a Recce Team Member if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell Securities of the Company, or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Recce Securities in a Blackout Period based on exceptional circumstances must be made in writing in accordance with sections 8.1 and 8.2 and be accompanied by relevant court and/or supporting legal documentation (where applicable).

Any exemption, if issued, will be confirmed in writing and will be valid for five business days (inclusive of the approval date) or such other period as may be determined by the approver. No Trade may be executed beyond that relevant period without having first sought and received further clearance to Trade.

9 NO SHORT-TERM OR SPECULATIVE TRADING

Recce Team Members are not permitted to Trade in Recce Securities on a speculative basis (including short selling) or on a short-term basis except for the sale of Recce Securities upon their vesting, exercise or release from restrictions under a Company employee incentive scheme. The Company considers "short-term" to be a period of 6 months or less.

Recce Team Members are also not permitted to enter into broker trading plans which could trigger Trading during a designated Blackout Period, except with prior written approval in accordance with this policy, or whilst in the possession of Inside Information.

10 HEDGING AND MARGIN LENDING TRANSACTIONS

10.1 No Hedging transactions

Recce Team Members and Closely Related Parties of Key Management Personnel must not engage in transactions designed to hedge their exposure to Recce Securities.

10.2 Margin lending and other secured financing arrangements

A Recce Team Member must not enter into margin lending or other secured financing arrangements in respect of Recce Securities, unless the prior approval of the Chairperson (or their delegate) has been obtained.

11 REQUIREMENTS AFTER TRADING

Subsequent to approval being obtained in accordance with sections 8.1 and 8.2, once a Recce Team Member (or their Associate) has completed a Trade in Recce Securities:

- (1) the relevant approver must be advised in writing that the Trade has been completed and provide the details of the transaction within two business days of the transaction occurring;
- (2) in the case of Directors, the Company Secretary must be provided with

sufficient information to enable the Company to comply with the requirements to notify a change of relevant interests of a Director to the ASX within two business days of the transaction occurring; and

- (3) the Company Secretary must be notified if they begin to have, or cease to have, a “substantial holding” (as defined in section 9 of the Corporations Act) in the Company, or if they have a substantial holding in the Company and there is a movement of at least 1% in their holding.

12 RULES ABOUT TRADING IN ANOTHER LISTED ENTITY’S SECURITIES

A Recce Team Member must not Trade in Securities of any other listed entity or procure or communicate with others in relation to those other Securities where an individual possesses Inside Information. This includes but is not limited to situations where you come into possession of Inside Information about another listed entity during the course of your role at Recce for example, commercial negotiations with suppliers, customers or business partners, or where you are aware that the Company is about to sign a major agreement with another company, you should not trade Securities in either the Company or the other company.

13 EFFECT OF COMPLIANCE WITH THIS POLICY

Compliance with these guidelines for Trading in Recce Securities does not absolve that individual from complying with the law, which must be the overriding consideration when Trading in Recce Securities.

14 BREACHES OF THE POLICY

A breach of this policy will be taken very seriously by the Company.

If you breach the insider trading laws, action may be taken by ASIC, the corporate regulator, or other authorities including in relation to criminal proceedings, and you could be fined, sued or imprisoned.

Strict compliance with this policy is a condition of employment. Breaches of this policy will be investigated by the Company and may result in disciplinary action and/or termination of the Recce Team Member’s appointment or employment.

Recce Team Members are required to immediately inform the Financial Controller or Company Secretary of any potential or actual policy breaches.

15 REVIEW

The Board reviews this policy at least annually. This policy may only be amended by resolution of the Board.

16 DEFINITIONS

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list

of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the current board of Directors of the Company.

Chair or **Chairperson** means the person who chairs the Board.

Closely Related Parties includes:

- (1) family members (including spouse and dependent children);
- (2) family companies where the Recce Team Member is a director and/or shareholder; and
- (3) family trusts or superannuation funds where the Recce Team Member is a trustee, beneficiary or an advisor to the trustee.

Company or **Recce** means Recce Pharmaceuticals Ltd (ACN 124 849 065).

Company Secretary means the company secretary of Recce.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current Director of the Company.

Executive means an employee directly reporting to the Chief Executive Officer.

Inside Information see section 4.3 under the heading 'Inside information'.

Key Management Personnel means key management personnel (including the Directors) whose remuneration details are included in the remuneration report set out in the Company's annual financial report.

Recce Group means Recce and each of its Subsidiaries.

Recce Securities include Recces' shares, notes, options, rights, debentures, and other securities.

Recce Team Member means:

- (1) Directors of the Company and its Subsidiaries;
- (2) employees of Recce Group regardless of where based, whether full time, part time or casual; and
- (3) any contractor and consultant whose terms of engagement with Recce Group apply this policy to them.

Security includes shares, options, rights, debentures, interests in a managed investment scheme, derivatives and other financial products covered by section 1042A of the Corporations Act.

Subsidiary means a company that is controlled or majority owned by Recce.

Trade or Trading includes buying, selling or otherwise dealing in Securities, including creating a security interest or other financial interest over Securities, engaging in any transaction involving a change in beneficial ownership of the Securities, or the entry into any agreement to do any of the above things.

Schedule 1 – Approvers**Part A: Permission to Trade under normal circumstances**

Person Requesting	Person to notify and obtain consent
Chair	The Board
Recce Directors	Chair
CEO	Chair
Executives	CEO and Financial Controller
All other Recce Team Members	Financial Controller

Part B: Permission to Trade under Exceptional Circumstances

Person Requesting	Person to notify and obtain consent
Chair	The Board
Recce Directors	The Board
CEO	The Board
Executives	Chair and CEO
All other Recce Team Members	CEO and Financial Controller

Schedule 2 – Request for Prior Written Clearance to Trade in Recce Securities

I,....., being a Recce Team Member, request approval for myself or an Associate to trade in Recce Pharmaceuticals Ltd ACN 124 849 065 (the **Company**) securities as follows (**Securities Transaction**):

Recce Team Member's Name	
Securityholder's Name	
Number and type of securities to be bought	
Total value and type of securities to be bought	\$
Number and type of securities to be sold	
Total value and type of securities to be sold	\$
Trading plan:	
Name of Broker	
Buy/Sell volumes and price	

Please answer the following questions:

	Yes	No
Is it a Blackout Period ?		
Have you (or the Associate) bought or sold any shares in the Company in the last 6 months?		
Are you, or the Associate in possession of any information that could be considered Inside Information?		

If you answered "**NO**" to all these questions, complete Part A 'Permission to Trade under normal circumstances' only.

If you answered "**YES**" to any of these questions, complete Part B 'Permission to Trade under Exceptional Circumstances' only.

Part A: Permission to Trade under normal circumstances

I understand that:

- (1) If my request is approved, such approval is valid for a period of 5 business days commencing on the date of grant of approval or the time when I become aware of Inside Information which has not been released to the market (whichever is the earlier).

- (2) If I do not complete my Securities Transaction before the expiry of the 5 business day period commencing from the date of grant of approval, or the date on which I subsequently become aware of Inside Information which has not been released to the market (whichever is the earlier) I must seek fresh approval by completing and submitting a new Request to Trade in Recce Securities.

Date: _____ Signature: _____
 Name: _____

Approved by:

Date: _____ Signature: _____
 Name: _____ Title: _____

Part B: Permission to Trade under Exceptional Circumstances

REASONS FOR THIS REQUEST:

(State reasons for seeking this approval. If approval is required during a Blackout Period or within 6 months of a sale or purchase detailed explanation required as to the severe financial hardship or circumstances that are otherwise exceptional. Please provide sufficient evidence that the trading of the relevant securities is the most reasonable course of action available in the circumstances.)

I confirm that as at the date of this Request to Trade in Recce Securities, I am not in possession of any Inside Information (as defined in the Company's Securities Trading Policy or the Corporations Act).

I understand that:

- (1) If my request is approved, such approval is valid for a period of 5 business days commencing on the date of grant of approval or the time when I become aware of Inside Information which has not been released to the market (whichever is the earlier).
- (2) If I do not complete my Securities Transaction before the expiry of the 5 business day period commencing on the date of grant of approval, or the date on which I subsequently become aware of Inside Information which has not been released to the market (whichever is the earlier) I must seek fresh approval by completing and submitting a new Request to Trade in Recce Securities.

Date: _____

Signature: _____

Name: _____

Approved by:

Date: _____

Signature: _____

Name: _____

Title: _____