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The Manager  
Company Announcements Platform  
ASX Limited

### **Securities Trading Policy**

In accordance with the new ASX Listing Rules governing Securities Trading, please find **attached** Sun Biomedical Limited's policy in relation to security trading.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alfonso Grillo', is written over a faint, light grey circular watermark.

Alfonso Grillo  
**Company Secretary**



## SECURITIES TRADING POLICY

### 1. Dealings by Key Management Personnel in Securities of the Company

The Company encourages its directors and employees to hold securities in the Company. However, when a director or senior executive trades in securities of the Company it is important to ensure that these transactions do not reflect badly on either the director, senior executive or the Company. This Policy is designed to ensure that directors or senior executives do not deal in securities of the Company at inappropriate times or in inappropriate circumstances.

When buying or selling securities in the Company, directors and senior executives (Key Management Personnel) must ensure that they do not contravene the insider trading provisions contained in Part 7.10 of the *Corporations Act 2001* (Cth). Inside information is information that is not generally available which could reasonably be expected to have a material effect on the price or value of securities of a body corporate. Information is taken to have a “material effect” on the price or value of a security if it would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy, or sell the securities. Thus, to constitute inside information the information must be both price sensitive and not generally available.

It is readily apparent that Key Management Personnel of the Company in the course of carrying out their duties often possess information which would be regarded as inside information under the Corporations Act. The following are non-exhaustive examples of information which could be regarded as inside information:

- (a) proposed strategic business acquisition;
- (b) financial records not yet released to the market; and
- (c) a proposed takeover not yet announced to the market.

Where Key Management Personnel possess inside information, they must not engage in dealings with the securities of the Company and cannot, either directly or indirectly, communicate the inside information to other persons. Key Management Personnel can be liable for insider trading if they recommend the Company’s securities to other persons while they are in possession of price sensitive information which is undisclosed to the general public. Key Management Personnel should be aware that they can be liable for insider trading by communicating inside information to other persons, for example their spouse, family or friends. This liability arises notwithstanding the fact that the director or senior executive has not dealt with

the securities of the Company. Spouses, family or friends who become aware of inside information and subsequently act on it before the information becomes public can also be held liable for insider trading.

It is therefore essential that all Key Management Personnel avoid direct or indirect communication of price sensitive information before it enters the public domain. It is equally essential that Key Management Personnel refrain from trading in securities of the Company whilst they possess such information.

## **2. Blackout Periods**

Unless a Key Management Personnel is subject to severe financial hardship or there are other exceptional circumstances, Key Management Personnel may not deal in Securities at any time during the following periods (each a “blackout period”):

- (a) 7 days immediately before the release of the Company’s quarterly report, half yearly results, full year results, and one day immediately following such release; and
- (b) 7 days immediately before the Company’s Annual General Meeting and one day immediately following such Annual General Meeting.

Where Key Management Personnel want to trade within these blackout periods, they must obtain the following approval:

- (c) the Chairman must inform and receive written approval from the Deputy Chairman; and
- (d) any other Key Management Personnel must inform and receive written approval from the Chairman.

Approval will only be given if it is determined that the person is subject to severe financial hardship or there are other exceptional circumstances. In this regard, approval will be assessed having regard to those circumstances set out in paragraph 11 of ASX Guidance Note 27.

## **3. Restrictions on Directors’ Dealings with Company Securities**

As a general policy, before engaging in transactions involving the securities of the Company outside of the blackout periods:

- (a) a director (other than the Chairman) and senior executive must notify the Chairman; or
- (b) the Chairman must notify the Deputy Chairman,

of the intended transaction at least 24 hours beforehand.

The Company's policy regarding dealings by Key Management Personnel in the Company's securities is that Key Management Personnel should never engage in short term trading and should not enter into transactions in the following circumstances:

- (a) when they are in possession of price sensitive information not yet released by the Company to the market; or
- (b) even if not in possession of such information, for a period of seven (7) days prior to release by the Company of half yearly and annual reports and the quarterly cashflow and activities report, or such shorter period as may be approved by the Board in writing after receipt of notice of intention to buy or sell by a director and senior executive to the other members of the Board.

Key Management Personnel are also prohibited from trading during these periods in financial products issued or created over or in respect of the Company's securities.

Should a director or senior executive wish to trade within these blackout periods, then this must first be approved by the Board in writing.

#### **4. Trading Not Subject to the Policy**

The Board may contemplate that there may be trading that the Company excludes from the operation of the Policy. This may be appropriate, for instance, where the trading results in no change in beneficial interest in the securities, where trading occurs via investments in a scheme or other arrangement where the investment decisions are exercised by a third party, where the restricted person has no control or influence with respect to trading decisions, or where the trading occurs under an offer to all or most of the security holders of the Company.

For the purposes of this Policy, some examples of trading that the Company may consider excluding from the operation of the Policy are:

- (a) transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (b) 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;
- (c) where a restricted person is a trustee, trading in the securities of the Company by that trust provided the restricted 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 restricted person;
- (d) undertakings to accept, or the acceptance of, a takeover offer;

- (e) 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 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;
- (f) a disposal of securities of the Company on a case by case basis, that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement. On a case by case basis the Board will assess the rules that are applicable to key management personnel with respect to entering into agreements that provide lenders with rights over their interests in the Company's securities; and
- (g) 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 prohibited period and the Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so.

## **5. Exceptional Circumstances**

A restricted person, who is not in possession of inside information in relation to the Company, may be given prior written clearance to sell or otherwise dispose of the Company's securities during a blackout period under the Policy where the restricted person is in severe financial hardship or there are other exceptional circumstances.

A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities in the Company. A tax liability of such a person would not normally constitute severe financial hardship unless the person has no other means of satisfying the liability. A tax liability relating to securities received under an employee incentive scheme would also not normally constitute severe financial hardship or otherwise be considered an exceptional circumstance for the purpose of obtaining prior written clearance to sell or otherwise dispose of securities during a prohibited period.

The Company may consider it an exceptional circumstance if the person is required by a court order, or there are court enforceable undertakings, for example, in a bona fide family settlement, to transfer or sell the securities of the Company or there is some other overriding legal or regulatory requirement for him or her to do so.

## **6. Financial Hardship**

The determination of whether the person in question is in severe financial hardship or whether a particular set of circumstances falls within the range of exceptional circumstances identified in the Policy can only be made by the Board. In recognition of the case that exceptional circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances, which have not been identified in this Policy, that may be deemed exceptional by the Chairman or the Managing Director (where the Chairman is involved) and whereby prior written clearance is granted to permit trading. The person seeking clearance to trade must satisfy the Chairman or the Managing Director that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

If the Chairman or Managing Director is in any doubt in making such determinations on behalf of the Company, consideration should be given to the purpose of the Listing Rules and the discretion should be exercised with caution.

## **7. Price sensitive information**

In relation to “price sensitive information”, all Key Management Personnel will be conscious of the fact that as the Company is a listed company, it has an obligation under Chapter 3 of the Listing Rules to make continuous disclosure. Briefly stated, that is an obligation to advise the market as soon as events and developments occur which result in the information that a reasonable person would expect to have a material effect on the price or value of the Company’s securities.

The obligation is not absolute and there are a number of exceptions to when “price sensitive information” need not be disclosed, which are addressed below. Accordingly, there will be occasions where price sensitive information is in the possession of some or all of the directors and not yet released to the market, nor required to be released.

## **8. Permitted trading**

Unless in the possession of other price sensitive information which has not been released to the market, directors will generally be permitted to engage in trading (subject to due notification being given to the Chairman) at the following times:

- (a) for a period commencing one (1) business day after the release of the quarterly, half yearly and annual reports to the market;
- (b) for a period commencing one (1) business day following the release of price sensitive information to the market which allows a reasonable period of time for the information to be disseminated among members of the public; and
- (c) where the proposed acquisition of securities is under:
  - (i) a bonus issue made to a class of security holders;

- (ii) a dividend reinvestment or top up plan available to a class of security holders; or
- (iii) an employee share option plan.

## 9. Notification to ASX of Directors' Interests

Directors must also be aware that pursuant to the provisions of the Corporations Act they are obliged to provide the ASX with appropriate notifications of their interests in the Company.

Pursuant to section 205G of the Corporations Act, directors must notify the ASX of their:

- (a) relevant interests in securities of the Company or of a related body corporate; and
- (b) contracts:
  - (i) to which the director is a party or under which the director is entitled to a benefit; and
  - (ii) that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by, the Company or a related body corporate.

Directors must also ensure that the above interests are notified to the ASX in accordance with Listing Rule 3.19A. This Rule requires the Company, not the particular director, to notify the ASX of the above interests.

Accordingly, the Company is to enter into an agreement with each of its directors under which the directors are obliged to provide the necessary information to the Company. An agreement of this nature, recognises that much of the information required by the ASX, under section 205G, is held by the directors, by virtue of their position and role within the Company. By entering into a formal agreement, the Company ensures that the directors of the Company have been notified of their disclosure obligations under the Corporations Act and the directors authorise the Company to give the information provided by directors to ASX on their behalf and as their agent.

In particular, Listing Rule 3.19A provides that:

- (c) where a director is appointed – the Company must notify the ASX of the above interest within five (5) business days after the appointment (the appropriate form is Appendix 3X). Accordingly, directors will provide the following information as at the date of their appointment as a director:
  - (i) details of all securities registered in their name, including the number and class of the securities;
  - (ii) details of all securities not registered in the director's name but in which he/she has a relevant interest within the meaning of section 9 of the

Corporations Act, including the number and class of the securities, the name of the registered holder and the circumstances giving rise to the relevant interest; and

- (iii) details of all contracts to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by, the Company or a related body corporate, including the number and class of the shares, debentures or interests, the name of the registered holder if the shares, debentures or interests have been issued, and the nature of the director's interest under the contract;
- (d) where a change in the above interests of a director occurs – the Company must outline the change in the director's interests to the ASX no more than 5 business days after the change occurs (the appropriate form is Appendix 3Y). Directors will need to provide to the Company on an on-going basis, as soon as reasonably possible after the date of the change and, in any event, no later than three (3) business days after the date of the change:
- (i) details of changes in securities registered in the director's name, including the following:
    - (A) date of change;
    - (B) number and class of securities held before and after the change;
    - (C) nature of change (for example, on-market, off-market);
    - (D) consideration paid or received in connection with the change;
    - (E) if off-market, the value of the securities the subject of the change;
  - (ii) details of changes in securities not registered in the director's name but in which he/she has a relevant interest within the meaning of section 9 of the Corporations Act, including the following:
    - (A) date of change;
    - (B) number and class of securities held before and after the change;
    - (C) name of the registered holder before and after the change;
    - (D) circumstances giving rise to the relevant interest;
    - (E) nature of change (for example, on-market, off-market);
    - (F) consideration paid or received in connection with the change;
    - (G) if off-market, the value of the securities the subject of the change;and
  - (iii) details of all changes to contracts to which the director is a party or under which the director is entitled to a benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by, the Company or a related body corporate, including the following:



- (A) date of change;
  - (B) number and class of the shares, debentures or interests to which the interest relates before and after the change;
  - (C) name of the registered holder if the shares, debentures or interests have been issued;
  - (D) nature of your interest under the contract;
- (e) where a director ceases to be a director – the Company must notify the ASX of the interests of the director at the time the director ceases to be a director, no more than five (5) business days after the director ceases to be a director (the appropriate form is Appendix 3Z). Directors must supply to the Company as soon as reasonably possible after the date of ceasing to be a director and, in any event no later than three (3) business days after the date of ceasing to be a director, the following information:
- (i) details of all securities registered in the director's name, including the number and class of the securities;
  - (ii) details of all securities not registered in the director's name but in which he/she has a relevant interest within the meaning of section 9 of the Corporations Act, including the number and class of the securities, the name of the registered holder and the circumstances giving rise to the relevant interest; and
  - (iii) details of all contracts to which the director is a party or under which he/she is entitled to a benefit, and that confer a right to call for or deliver shares in, debentures of, or interests in a managed investment scheme made available by, the Company or a related body corporate, including the number and class of the shares, debentures or interests, the name of the registered holder if the shares, debentures or interests have been issued, and the nature of the director's interest under the contract.

Directors should also be aware of the substantial holder provisions contained in section 671B of the Corporations Act which require certain notices to be served on the Company and the ASX when a person and their associates have a relevant interest in at least 5% of the issued voting shares in the Company and any change of more than 1% to those relevant interests occurs.