

6 March 2025

Melissa Kostopoulos
Senior Adviser
Listings Compliance
Australian Securities Exchange

via electronic mail: ListingsComplianceMelbourne@asx.com.au

Reference: ODIN106696

Dear Ms Kostopoulos,

Response to ASX Query

We refer to your letter of 27 February 2025 (**ASX Query**) in relation to trading in the Company's securities by a director of Percheron Therapeutics Limited (the **Company** or **Percheron**). Unless otherwise defined, capitalised terms used in this response have the meaning given in the ASX Query. We respectfully respond as follows.

1. *Please explain what arrangements PER has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.*

Section 2.15 of the Company's Securities Trading Policy requires executive and non-executive directors to provide the Company Secretary with all necessary information relating to any trading in the Company's securities within two days of a trade occurring. This requirement is in place to ensure that the Company is able to meet its disclosure requirements under Listing Rule 3.19A.2.

2. *When did PER first become aware of Dr James Garner's on-market Transaction?*

Dr Garner sought and received approval for the transaction from the Board of Percheron at a scheduled monthly Board meeting held at 8.00am Wednesday, 19 February 2025. The Transaction took place over a period of several days from 19 February 2025 – to 26 February 2025, during which he notified the Company Secretary at regular intervals of his trading activity.

3. *Please provide details regarding the trades that took place on 19 February 2025 including quantity and price (each and every trade).*

On 19 February 2025, Dr Garner made one purchase of 7,000,000 Percheron shares at an average price of \$0.009 per share.

4. *Did Dr Garner comply with section 2.13 of the Trading Policy and notify the Chairman of the Board in writing of their intention to carry out the Transaction before entering into it? If not, why not?*

Dr Garner requested permission to purchase shares in the Company at a scheduled Board Meeting at 8.00am on Wednesday, 19 February 2025. Given that the Chair and the Board's approval was granted in that formal context of a Board Meeting (and noting Percheron has a small Board consisting of 3 directors), and that both the request and approval were captured in the written minutes of that Board meeting, it was considered appropriate to forego an additional written request between Dr Garner and the Board.

5. *Did the Chairman of the Board confer with the Company Secretary in relation to the proposed Transaction in accordance with 2.13 of the Trading Policy? If not, why not?*

Yes. The matter was discussed among the directors and with the Company Secretary at the Board Meeting on Wednesday, 19 February 2025.

6. *Did the Board advise Dr Garner in writing that there is no known reason to preclude him from dealing in PER's securities before they entered into the on-market Transactions, as required under section 2.13 of the Trading Policy? If so, please provide a copy of the written communications. If not, why not?*

No. The Board advised Dr Garner verbally in the Board Meeting of Wednesday, 19 February 2025 that there was no known reason to preclude him from dealing in the Company's securities after the Company's Half Year accounts were lodged by the Company Secretary on the ASX platform at approximately 11.30am. This is consistent with the approval that was then granted, and which is reflected in the written minutes of the Board Meeting. Section 2.13 of the Securities Trading Policy does not specifically require that this point be documented in writing when clearance is granted.

7. *Did the Chairman of the Board and Company Secretary grant approval (written or otherwise) to Dr Garner to carry out the Transaction that took place during a closed period? If so, on what basis did it do so? If not, why not?*

It was not the understanding of any of the directors or the Company Secretary that the Transaction took place in a closed period. The Board (including Dr Garner) and the Company Secretary had all operated in this circumstance under the erroneous belief that release of the Company's Half Year accounts would immediately create an open period for trading in the Company's securities.

This misunderstanding stems from the Board and Company Secretary's erroneous view that the closed period would immediately be lifted on the release of Half Year financial statements. The Securities Trading policy was updated late October 2024 and the previous version had adopted a different methodology for determining a closed period. As a result of this the Directors and the Company Secretary were operating on an incorrect basis in this instance.

As a result, it was the good faith belief of Dr Garner, the Chair, the Board, and the Company Secretary that the Transaction was taking place in an open period, as announced to ASX in the Appendix 3Y on 26 February 2025.

8. *Why did the Announcement state in Part 3 that no interests in PER's securities were traded during a closed period?*

Refer to the response in point 7 above.

9. *Given their apparent and material breaches of PER's Trading Policy, has Dr Garner offered to resign as a director of PER? If not, why not?*

The Board does not consider that resignation would be an appropriate response, for the following reasons:

- (a) The matter occurred as a result of a genuine misunderstanding and did not represent a deliberate attempt to circumvent any element of the Securities Trading Policy or any applicable law.
 - (b) Dr Garner was not in possession of any material non-public information at the time he executed the Transaction. The Half Year accounts had been released to ASX prior to any trade taking place and, accordingly, the market had access to up-to-date financial information at the time the trade occurred. As noted in ASX Guidance Note 27, the risk of insider trading is generally lower during periods immediately following the release of up-to-date financial information.
 - (c) No benefit accrued to Dr Garner, nor any disbenefit to any other party.
 - (d) Given that the matter was discussed with the Board and Company Secretary prior to any trading taking place, and given that written permission to trade was provided via the meeting minutes and the market was fully informed, the Board has taken the view that responsibility for this matter is a collective Board responsibility rather than individual.
10. *What disciplinary or remedial action is the board of PER proposing to take in relation to the apparent breaches of PER's Trading Policy?*

The Board proposes the following remedial measures:

- (a) The Company Secretary will conduct detailed internal training on the Securities Trading Policy at the next scheduled Board meeting.
 - (b) The Company Secretary will, on an ongoing basis, circulate email reminders to KMP and the Board of the start and finish dates for black-out periods, closed periods and trading windows as they are about to occur.
 - (c) Each of the directors will undertake a formal training session on 'Legal Obligations of Officers and Directors' conducted by the Governance Institute of Australia, with such training to be completed by 30 May 2025.
11. *Please confirm that PER is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

The Company duly confirms that it is compliant with all ASX Listing Rules and, in particular, with Listing Rule 3.1.

12. *Please confirm that PER's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PER with delegated authority from the board to respond to ASX on disclosure matters.*

The Company duly confirms that these responses have been authorised by the Board of Directors in accordance with the Company's continuous disclosure policies.

Yours sincerely,

Deborah Ambrosini

Chief Financial Officer and Company Secretary



27 February 2025

Reference: ODIN106696

Ms Deborah Ambrosini
Company Secretary
Percheron Therapeutics Limited
35 Collins Street, Level 30
Melbourne, Vic 3000

By email: Deborah.Ambrosini@percherontx.com

Dear Ms Ambrosini

Percheron Therapeutics Limited ('PER'): Trading during closed period (Appendix 3Y) – Query

ASX refers to the following:

- A. The announcement by PER entitled '*Change of Director's Interest Notice- Dr James Garner*' lodged on the ASX Market Announcements Platform on 26 February 2025 (the 'Announcement'). The Announcement disclosed:
- (i) The on-market purchase of 39,500,000 shares in PER by Dr Garner, a director of PER, on 19 - 26 February 2025 (the 'Transaction'); and
 - (ii) The shares were not traded during a closed period.
- B. PER's securities trading policy which is also available on PER's website (the 'Trading Policy') and which states, among other things, the following:

"Closed Period

Is a period in which Restricted Persons are prohibited from trading in Company securities, unless under exceptional circumstances".

"Restricted Person

Includes all Executive and Non-Executive directors, officers and employees of the Company, including their associates"

"2.9 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 period from the close of trading on the ASX on 31 December each year, or if that date is not a trading day, the last trading date before that day, until the day following the announcement to the ASX of the half year results;"*

"2.12 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".

“2.13 Procedure for obtaining written approval

A Restricted Person seeking clearance to Trade Company Securities under must submit a written request for clearance (including explanation as to why the request should be granted and what procedures will be put in place to manage requirements of this Policy and at law) to the Chair through to the Company Secretary (in the case of the Chair an application 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).

The Chair may request such information as considered appropriate in the circumstances. The Chair's discretion will be exercised with caution and having regard to the importance of minimising both the risk, and appearance of, insider trading and the reputational risks arising for all parties.

A person may only engage in the proposed activity if written clearance is given”.

- C. Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities – Obligations of Listed Entities* which was published to assist listed entities with their obligations under Listing Rules 3.19A and 3.19B and to give an overview of ASX policy in relation to disclosure of directors' interests and transactions in securities, and Guidance Note 27: *Trading Policies* which was published to assist listed entities to comply with their obligations under Listing Rules 12.9-12.12 regarding trading policies.

ASX notes the following:

1. PER's closed period ended on 19 February 2025.
2. PER's half year report and accounts to 31 December 2024 were lodged on the ASX Market Announcements Platform on 19 February 2025 at 11:30am.
3. The Transaction (being the first day of trade 19 February 2025) would appear to have taken place during a closed period in breach of section 2.9 of the Trading Policy. This is despite the Announcement stating in Part 3 that no interests in PER's securities were traded during a closed period.

Request for information

Having regard to the above, and pursuant to Listing Rule 18.7, ASX asks PER to respond separately to each of the following questions.

1. Please explain what arrangements PER has in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A.
2. When did PER first become aware of Dr James Garner's on-market Transaction?
3. Please provide details regarding the trades that took place on 19 February 2025 including quantity and price (each and every trade).
4. Did Dr Garner comply with section 2.13 of the Trading Policy and notify the Chairman of the Board in writing of their intention to carry out the Transaction before entering into it? If not, why not?
5. Did the Chairman of the Board confer with the Company Secretary in relation to the proposed Transaction in accordance with 2.13 of the Trading Policy? If not, why not?
6. Did the Board advise Dr Garner in writing that there is no known reason to preclude him from dealing in PER's securities before they entered into the on-market Transactions, as required under section 2.13 of the Trading Policy? If so, please provide a copy of the written communications. If not, why not?

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7. Did the Chairman of the Board and Company Secretary grant approval (written or otherwise) to Dr Garner to carry out the Transaction that took place during a closed period? If so, on what basis did it do so? If not, why not?
 8. Why did the Announcement state in Part 3 that no interests in PER's securities were traded during a closed period?
 9. Given their apparent and material breaches of PER's Trading Policy, has Dr Garner offered to resign as a director of PER? If not, why not?
 10. What disciplinary or remedial action is the board of PER proposing to take in relation to the apparent breaches of PER's Trading Policy?
 11. Please confirm that PER is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 12. Please confirm that PER's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of PER with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Monday, 10 March 2025**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, PER's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require PER to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in PER's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in PER's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PER's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that PER's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Regards

ASX Compliance