



# Starpharma Holdings Limited (Starpharma) Securities Dealing Policy

## 1. POLICY OBJECTIVES

The objectives of this policy are to:

- explain the type of conduct in relation to dealings in securities that is prohibited under the relevant law and by Starpharma;
- establish a best practice procedure for buying, selling or otherwise dealing in securities of Starpharma to protect both you and Starpharma;
- assist Starpharma in meeting its reporting obligations under the Listing Rules of the Australian Securities Exchange Limited (ASX); and
- ensure transparency with respect to dealing in securities of Starpharma by its directors and employees.

This policy aims to protect you and Starpharma by setting out how and when you may and may not deal in securities of Starpharma to ensure that you do not abuse, and do not place yourself under suspicion of abusing, price sensitive information that you may have or be thought to have.

If you do not understand this policy, or how it may apply to you, you should seek further advice from the Company Secretary.

You should note that any breach of this policy may result in disciplinary action up to and including termination of your contract of employment or engagement, and that insider trading is a criminal offence.

This policy is a summary of complex legal provisions and is therefore a general guide. It does not constitute legal advice.

This policy was adopted by the board of directors of Starpharma on 16 April 2015 and was last reviewed on 27 March 2017.

## Does this policy apply to you?

This policy applies to:

- all directors (executive and non-executive) of Starpharma and its subsidiaries (**Directors**); and
- all employees of and contractors to Starpharma and its subsidiaries.  
(collectively **Employees**).

It is incumbent on each Employee to take all reasonable steps to **ensure that an associate does not deal in securities of Starpharma** where the dealing could be attributed to the Employee concerned and would involve a contravention of this policy if the dealing had been undertaken by the Employee concerned.

An associate includes family members, friends and companies or other entities controlled by the Employee or their family members. **Where notification or approval is required for dealing in securities, the relevant Employee is required to provide such notification or request such approval in respect of the associate's dealing.**

**Designated Persons** of Starpharma are the Chief Executive Officer, the CFO, the Company Secretary, the key management personnel (having authority and responsibility for planning, directing and controlling the activities of the Starpharma group) (excluding Directors), direct reports of the CEO, direct reports of the CFO & Company Secretary, direct reports of Vice President Development & Regulatory Affairs, and any other Employee designated by the Company Secretary in consultation with the CEO from time to time.

## **What are securities?**

Securities include:

- ordinary shares;
- preference shares;
- American Depositary Receipts in relation to shares;
- options or rights to shares; and
- any other financial products traded on ASX.

## **2. DEALING IN SECURITIES**

### **Insider trading rules in relation to dealing in securities**

The *Corporations Act 2001* prohibits persons from dealing in securities while in possession of inside information (which, for the purposes of this policy, we will call price sensitive information).

If you possess price sensitive information in relation to an entity you must not deal in the following ways:

- buy or sell securities in that entity;
- subscribe for new shares (e.g., in a capital raise); or
- enter into an agreement to subscribe for, buy or sell, securities in the relevant entity.

If you possess price sensitive information in relation to an entity you must not:

- procure any other person to deal in securities in that entity; or
- directly or indirectly communicate the price sensitive information to another person whom you believe, or ought reasonably to believe, is likely to deal in those securities or procure another to deal in those securities.

For example, you must not suggest or encourage anyone else to deal in securities when you possess price sensitive information in relation to those securities and you must not communicate the price sensitive information to them if there is any risk that they may deal in those securities.

### **Price sensitive information**

Price sensitive information is information which:

- is not generally available; and
- a reasonable person would expect it to have a *material effect* on the price or value of the securities if that information was known.

### **Information that is generally available**

Information is considered to be "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.

## Material effect on the price of securities

Information would be likely to have a material effect on the price or value of the securities if the information would, or would likely to, influence persons who commonly deal in securities in deciding whether or not to acquire or dispose of those securities.

While it is not possible to list all of the information that may have such a material effect, the following are some examples:

- information regarding a material increase or decrease in Starpharma's financial performance from previous results or previously announced forecasts;
- a proposed material business or asset acquisition or sale, including takeovers;
- a positive or negative clinical trial or regulatory submission result;
- proposed material legal proceedings to be initiated by or against Starpharma;
- regulatory action or investigations undertaken by a Government authority;
- the launch of a new business or material new product; or
- a proposal to undertake a new issue of shares or major change in financing.

Under the *Corporations Act 2001*, the prohibition against insider trading applies to acts within Australia and acts outside Australia that involve the securities of Australian companies. Accordingly, the law against insider trading applies to the conduct relating to dealing of Starpharma securities which occurs both outside Australia as well as within Australia. Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering agreements to buy or sell securities, but does not include a bona fide mortgage over the securities.

## 3. HOW TO CORRECTLY DEAL IN SECURITIES

### a. Prohibited Trading Periods

Subject to clause 3(b), trading in Starpharma securities or derivative products is not permitted during the following periods (each a "Prohibited Period"):

- the period from 1 July to 24 hours after the release of the Company's annual results;
- the period from 1 January to 24 hours after the release of the Company's half-year results;
- the period from 7 days before the Company's AGM to 24 hours after the Company's AGM; and
- Any other period communicated to you by the Company Secretary or authorised delegate.

The start and end of a Prohibited Period will be notified by email.

**Subject to clause 3(b), during a Prohibited Period no dealing in Starpharma securities is permitted except in limited exceptional circumstances where prior written approval has been obtained, as detailed in clause 3(d).**

## **b. Trading excluded from this Policy**

This policy does not preclude Employees from:

- i. acquiring securities as a result of:
  - a. an offer under an employee incentive scheme operated by Starpharma; or
  - b. a performance share right vesting, exercising options or converting convertible securities. **However, this does not include the subsequent sale of the underlying shares following vesting, exercise or conversion.**
- ii. investing or trading in a fund or scheme where the investment decisions are made by a third party, provided that the fund or scheme does not invest solely in Starpharma securities;
- iii. trading in securities by a relevant trustee (who is not also a beneficiary of the trust) and the decision to trade is made by other trustees or investment managers independent of that person;
- iv. undertaking to accept, or accepting, a takeover offer or scheme of arrangement; and
- v. trading under an offer or invitation made to all or most security holders, including dividend reinvestment plans, share purchase plans, rights issues and equal access buy-backs, where the timing and structure of the plan has been approved by the Board;

however, except in relation to clause 3(b)(i), trading of securities by Employees is only permitted when the particular person is not in possession of inside information (as defined in Division 3 of Part 7.10 of the Corporations Act).

Directors must provide immediate confirmation following any dealing in Starpharma securities in accordance with section 4 of this Policy.

## **c. Trading Notification and Approval Requirements**

### **(i) Employees (excluding Designated Persons and Directors) – Notification required**

If it is not a Prohibited Period, unless you are a Designated Person or Director, you are permitted to trade in Starpharma securities without prior approval provided you have given at least 48 hours' notice to the Company Secretary prior to trading, you are not in possession of inside information and your trades are conducted in accordance with this policy.

### **(ii) Designated Persons – Approval required**

All Designated Persons must give notice to the CEO and Company Secretary of their intention to deal in securities of Starpharma prior to dealing. You will receive a written response within 48 hours of the request and if approved, will outline the duration of the consent.

### **(iii) Directors (excluding Chairman) – Approval required**

Directors must give at least 48 hours' notice to the Chairman, the CEO and Company Secretary of their intention to deal in securities of Starpharma prior to dealing. Following consultation with the Chairman, the CEO or Company Secretary will provide a written response to your request within 48 hours of the request and if approved, will outline the duration of the consent.

### **(iv) Chairman – Approval required**

The Chairman must give at least 48 hours' notice to the Board, the CEO and Company Secretary of his intention to deal in securities of Starpharma prior to dealing. If any Board member has any concerns it should be raised within 36 hours of the request. Following consultation with the CEO and another non-executive director, the CEO or Company Secretary will provide a written response to the request within 48 hours of your request and if approved, will outline the duration of the consent.

Directors must provide immediate confirmation following any dealing in Starpharma securities in accordance with section 4 of this Policy.

All notices, responses, submissions, consents, approvals and acknowledgments are required to be in written form (email is acceptable).

Clearance to trade may be given or refused by Starpharma in its discretion, without giving any reasons, and a clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances.

Starpharma's decision to refuse clearance to trade is final and binding on you and if clearance to trade is refused, you must keep that information confidential and not disclose it to anyone.

**APPROVAL BY THE APPROVING OFFICER TO TRADE DOES NOT PROTECT YOU FROM AN ACTION FOR INSIDER TRADING WHICH HAS SERIOUS LEGAL CONSEQUENCES (SEE SECTION 6).**

#### **d. Trading during a Prohibited Period – Exceptional Circumstances**

##### **(i) Employees (excluding Designated Persons and Directors)**

Employees (other than Designated Persons and Directors) may apply to the Company Secretary if they need to trade during a Prohibited Period due to exceptional circumstances. All written submissions will be considered by the Company Secretary in consultation with the CEO, and a decision made as to whether or not to permit the dealing.

The submission must include the following information:

- (i) details of your exceptional circumstances;
- (ii) the number of securities of Starpharma that you wish to deal in;
- (iii) the way in which you wish to deal in those securities;
- (iv) a request for consent to deal in those securities; and
- (v) confirmation that you are not in possession of any price sensitive information.

Exceptional circumstances under this policy are:

- (i) financial hardship which cannot reasonably be alleviated other than by dealing in securities of Starpharma; or
- (ii) a court order directing the dealing in securities of Starpharma.

You will receive a written response within 48 hours of your request and it will outline the duration of the consent, if granted (which will be no more than 5 trading days).

##### **(ii) Designated Persons**

Designated Persons must make the same written submission to, and receive consent from, the CEO or Company Secretary before dealing in securities of Starpharma during a Prohibited Period.

##### **(iii) Directors (excluding Chairman)**

A Director other than the Chairman must make the same written submission to the Chairman, CEO and Company Secretary, and receive consent from the Chairman, before dealing in securities of Starpharma during a Prohibited Period.

##### **(iv) Chairman**

The Chairman must make the same written submission to the Board, CEO and Company Secretary, and receive consent from the Board, before dealing in securities of Starpharma during a Prohibited Period.

Directors must provide immediate confirmation following any dealing in Starpharma securities in accordance with section 4 of this Policy.

The Company Secretary, CEO, Chairman or Board (the "Approving Officer") must consider the objectives of this policy and the purpose of the ASX Listing Rules in making a determination as to

whether to consent to the Employee's application to deal in securities of Starpharma during a Prohibited Period.

All notices, responses, submissions, consents, approvals and acknowledgments are required to be in written form (email is acceptable).

Clearance to trade may be given or refused by Starpharma in its discretion, without giving any reasons, and a clearance to trade can be withdrawn if new information comes to light or there is a change in circumstances.

Starpharma's decision to refuse clearance to trade is final and binding on you and if clearance to trade is refused, you must keep that information confidential and not disclose it to anyone.

**APPROVAL BY THE APPROVING OFFICER TO TRADE DOES NOT PROTECT YOU FROM AN ACTION FOR INSIDER TRADING WHICH HAS SERIOUS LEGAL CONSEQUENCES (SEE SECTION 6).**

#### **e. Short term dealing not permitted**

Employees may not:

- buy and sell (or sell and buy) Starpharma securities within a three-month period without written permission from the Company Secretary (in consultation with the CEO); or
- enter into any other short-term dealings in Starpharma securities without written permission from the Company Secretary (in consultation with the CEO).

The sale of shares which have been acquired as a result of an employee incentive scheme operated by Starpharma within three months of being acquired is not considered short term dealing, however remains subject to the notification and approval procedures detailed in clauses 3(c) and (d) (as appropriate).

#### **f. Margin loan arrangements not permitted**

Margin loan arrangements must not be entered into by Employees.

For the purposes of this policy, a margin loan is defined as a facility that provides for the borrowing of money against the value of Starpharma securities, where the loan is secured by those Starpharma securities, and the lender may be entitled, or the client may be required, to dispose of some of the Starpharma securities to reduce the loan-to-value ratio of the facility.

#### **g. Hedging not permitted**

Employees may not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of:

- (a) Securities in the Company which are subject to a restriction on disposal under an employee share or incentive plan; or
- (b) Options or performance rights (or any unvested securities in the Company underlying them) ("Hedging Transactions").

In addition to the restrictions contained in this Policy, key management personnel (including Directors) and their closely related parties are prohibited from entering into Hedging Transactions by the Corporations Act 2001.

#### **4. CONFIRMATION BY DIRECTORS FOR COMPLIANCE**

All Directors must give immediate notice to the Company Secretary following any dealing by them or an associate in securities of Starpharma, including the individual/entity who dealt in the securities, the number and price of securities dealt with and the nature of the trade (e.g., on market, etc) so that the ASX can be informed as required under the ASX Listing Rules and the Corporations Act 2001.

#### **5. SECURITIES IN OTHER COMPANIES**

You must not deal in securities of other companies if you possess price sensitive information in relation to that other company. Through your work at Starpharma, you may become aware of price sensitive information relating to Starpharma's customers or partners.

For example, if you possess price sensitive information in relation to Starpharma entering into a major agreement with another company, you should not buy securities in Starpharma or the other company as this may breach the insider trading provisions of the *Corporations Act 2001* or similar legislation in other countries.

#### **6. PENALTIES**

A breach of this policy may result in termination of your employment or engagement with Starpharma.

In addition, if you are convicted of insider trading the penalties can be serious, and may include any or all of the following:

- criminal liability (a fine or imprisonment for up to 5 years, or both);
- civil liability (a pecuniary or monetary penalty); and/or
- you may be required to pay compensation.

#### **7. STARPHARMA CONTACT**

If you are in any doubt regarding your proposed dealing in securities you should contact the Company Secretary.