

AFT PHARMACEUTICALS LIMITED

(AFT Pharmaceuticals)

Securities Trading Policy

This Securities Trading Policy applies to all directors, officers and employees of AFT Pharmaceuticals and its subsidiaries who intend to trade in “Restricted Financial Products”. For the purpose of this policy, “**Restricted Financial Products**” means:

- ordinary shares in AFT Pharmaceuticals; and
- any other quoted financial products of AFT Pharmaceuticals or its subsidiaries; and
- any quoted derivatives (including futures contracts quoted on an authorised futures exchange) in respect of AFT Pharmaceuticals’ financial products, from time to time.

In this policy, “**trade**” includes buying or selling Restricted Financial Products or subscribing for new Restricted Financial Products, or agreeing to do so, whether as principal, agent or trustee.

This policy provides additional insider trading rules and permissions for certain “Restricted Persons” (defined below) in the Schedule.

Introduction and purpose

This document details AFT Pharmaceuticals’ policy on, and rules for trading in, Restricted Financial Products.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and Australia.

If you do not understand any part of this policy, or how it applies to you, you should raise the matter with AFT Pharmaceuticals’ Chief Financial Officer before trading in Restricted Financial Products.

Fundamental rule – Insider trading is prohibited at all times

If you possess any “material information” (as defined below), you must not:

- (a) trade in Restricted Financial Products;
- (b) advise or encourage others to trade or hold any Restricted Financial Products;
- (c) advise or encourage a person to advise or encourage another person to trade or hold Restricted Financial Products; or
- (d) directly or indirectly disclose or pass on the material information to anyone else – including colleagues, partners, family or friends, as well as companies, trusts or nominees and other persons over whom you have investment control or influence – knowing (or where you ought reasonably to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Restricted Financial Products.

This offence, called “insider trading”, can subject you to criminal liability including large fines (up to \$500,000 for an individual and up to \$2,500,000 for an entity other than an individual) and/or imprisonment (up to 5 years), and civil liability, which may include being sued by another party or AFT Pharmaceuticals, for any loss suffered as a result of illegal trading.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading. You should note that, even if you change jobs within AFT Pharmaceuticals or leave the organisation completely, the prohibitions will still apply to you as a matter of general law if you remain in possession of material information.

Confidential information

In addition to the above, you also have a duty of confidentiality to AFT Pharmaceuticals. You must not reveal any confidential information concerning AFT Pharmaceuticals to a third party (unless that third party has signed a confidentiality agreement with AFT Pharmaceuticals and you have been authorised to disclose confidential information), or to use confidential information in any way which may injure or cause loss to AFT Pharmaceuticals, or to use confidential information to gain an advantage for yourself. You should ensure that external advisers keep AFT Pharmaceuticals' information confidential.

What is "material information"?

"Material information" is information that:

- (a) is not generally available to the market; and
- (b) if it were generally available to the market, a reasonable person would expect it to have a material effect on the price of AFT Pharmaceuticals' quoted financial products;

Information is "generally available" to the market if:

- (a) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in AFT Pharmaceuticals' quoted financial products and a reasonable period for it to be disseminated among those persons has passed; or
- (b) it has been released as an NZX or ASX announcement; or
- (c) the information is readily obtainable by investors that commonly invest in AFT Pharmaceuticals' quoted financial products (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in a lift, or at a social function).

Information includes rumours, matters of supposition, intentions or likely intentions of a person (including AFT Pharmaceuticals) and information which is insufficiently definite to warrant disclosure to the public.

What are some examples of material information?

The following list is illustrative only. Material Information could include information which has not been released to the market concerning:

- (a) AFT Pharmaceuticals' financial performance;
- (b) a possible change in AFT Pharmaceuticals' strategic direction;
- (c) the introduction of an important new product or service;
- (d) a possible acquisition or sale of any assets, business or company by AFT Pharmaceuticals;

- (e) entry into or the likely entry into, or termination or likely termination, of material contracts or other business arrangements which are not publicly known;
- (f) changes in AFT Pharmaceuticals' actual or anticipated financial condition or business performance;
- (g) a possible change in AFT Pharmaceuticals' capital structure, including proposals to raise additional equity or borrowings;
- (h) a change in the historical pattern of dividends;
- (i) senior management changes;
- (j) a possible change in the regulatory environment affecting AFT Pharmaceuticals;
- (k) a material legal claim by or against AFT Pharmaceuticals; and
- (l) any other material unexpected liability.

Exceptions

This policy does not apply to:

- (a) acquisitions or disposals of Restricted Financial Products by gift or inheritance;
- (b) acquisitions through an issue of new Restricted Financial Products, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan; and
- (c) trading of Restricted Financial Products where the trading results in no change to the beneficial interest in the Restricted Financial Products.

Short term trading discouraged

You should not engage in short term trading (the buying and selling of Restricted Financial Products within a six month period) unless there are exceptional circumstances discussed with and approved by AFT Pharmaceuticals' Chief Financial Officer.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade Restricted Financial Products on a short-term basis.

If in doubt, don't trade

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't trade!

Breaches of policy

Potentially serious criminal and civil liability arises for breaches of insider trading laws. These laws also apply to individuals outside AFT Pharmaceuticals, such as your family, should they become aware of material information. Strict compliance with this policy is a condition of your employment and engagement of contractors. Breaches of this policy will be subject to disciplinary action, which may include termination of your employment or contract for services.

Monitoring of trading

AFT Pharmaceuticals may monitor the trading of directors, officers and employees as part of the administration of this policy.

Application of policy

The board of directors of AFT Pharmaceuticals (the **Board**) has approved this policy. The Board may approve updates, amendments to, and exemptions from, this policy from time to time, which may be implemented by written notice to you.

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails over them.

This policy is not intended to be legal advice and is not a substitute for legal advice. If you have any doubt about whether you may trade in Restricted Financial Products you should raise the matter with the Chief Financial Officer or consult a legal adviser.

Takeover

For the avoidance of doubt, nothing in this policy will apply to the trading of financial products in respect of a takeover made under the Takeovers Code Approval Order 2000.

Last updated: 23 March 2018

Last reviewed: 21 February 2019

SCHEDULE

Additional trading restrictions for Restricted Persons (black-out periods)

The additional trading restrictions set out below apply to:

- (a) all directors;
- (b) all employees (and contractors);
- (c) trusts and companies controlled by such persons outlined in (a) and (b); and
- (d) anyone else notified by AFT Pharmaceuticals from time to time.

Persons covered by these additional restrictions are called "**Restricted Persons**". Directors and employees will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

Where the spouse or dependant of a Restricted Person wishes to trade in Restricted Financial Products, the Restricted Person must ensure that the requirements under the "Black-out period" rule (below) are complied with, including the completion of the "Request for consent to trade in listed securities" (attached at the back of this Policy) on behalf of their spouse or dependant.

Additional trading restrictions for Restricted Persons (black-out period)

Restricted Persons are prohibited from trading in any Restricted Financial Products during the following specific "black-out" periods:

- (a) the period from the close of the last trading day in August of each year until the first trading day following AFT Pharmaceuticals' announcement to NZX and ASX of the half year results;
- (b) the period from the close of the last trading day of February of each year until the first trading day following AFT Pharmaceuticals' announcement to NZX and ASX of the full-year results; and
- (c) any other period AFT Pharmaceuticals specifies from time to time,

unless the Board provides a specific exemption in respect of a particular black-out period. The chairperson of the Board or the Audit and Risk Committee has discretion to reduce or extend (conditionally or unconditionally) the black-out periods.

Please note that if you hold material information you must not trade Restricted Financial Products at any time – regardless of these black-out periods.

Exceptional circumstances

If a Restricted Person needs to trade in Restricted Securities due to exceptional circumstances during a blackout period, the Restricted Person may seek a waiver from the Chair of the Board to trade in Restricted Securities (using the attached "Request for Consent to Trade in Quoted Financial Products Form"). All applications for consent will be processed on a confidential basis.

Exceptional circumstances for these purposes include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the Board.

An application from a Restricted Person to trade during a black-out period must set out the circumstances of the proposed dealing, including an explanation as to the reason the waiver is requested. A waiver will only be granted if:

- (a) the circumstances giving rise to the request are deemed “exceptional” by the Board or its delegate, or fall within a recognised category of exceptional circumstances (i.e. severe financial hardship or compulsion by court order); and
- (b) the application is accompanied by sufficient evidence (in the opinion of the person from whom consent is sought under this Policy) that the trading of the relevant Restricted Securities is the most reasonable course of action available in the circumstances.

If a waiver is granted to trade during a black-out period, the Restricted Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to trade in Restricted Securities will be two trading days from the date of notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Unless otherwise specified in the notice, any dealing permitted during a black-out period must comply with the other sections of this Policy (to the extent applicable).

Requirements before trading for Restricted Persons

Before trading in Restricted Financial Products, at any time, Restricted Persons must, in writing:

- (a) notify the Chief Financial Officer of their intention to trade in financial products, and seek consent to do so using the “Request for Consent to Trade in Quoted Financial Products” form included in this schedule;
- (b) confirm that they do not hold material information; and
- (c) confirm that there is no known reason to prohibit trading in any Restricted Financial Products.

The Chief Financial Officer will review the form, in consultation with AFT Pharmaceuticals’ chairperson of the Board if appropriate, and either provide approval of the request or decline the request. A consent is only valid for a period of 10 trading days after notification by the Chief Financial Officer. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

The Chief Financial Officer and the chairperson of the Board are required to seek approval from the chairperson of the Audit and Risk Committee.

Requirements after trading for Restricted Persons

A Restricted Person must advise the Chief Financial Officer promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations that person has under the Financial Markets Conduct Act 2013.

If a Restricted Person is subject to disclosure obligations under the Financial Markets Conduct Act 2013, such disclosure obligations continue to apply for six months after that person ceases to be a Restricted Person.

AFT PHARMACEUTICALS LIMITED

(AFT Pharmaceuticals)

REQUEST FOR CONSENT TO TRADE IN QUOTED FINANCIAL PRODUCTS

To: Chief Financial Officer

AFT Pharmaceuticals Limited

In accordance with AFT Pharmaceuticals' Securities Trading Policy, I request AFT Pharmaceuticals' consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 10 trading days of notification of approval being given. I acknowledge AFT Pharmaceuticals is not advising or encouraging me to trade or hold financial products and does not provide any recommendation in respect of the relevant financial products.

Name:

Position in AFT Pharmaceuticals:

Residential address:

Email address:

Name of registered holder transacting (if different):

Description and number of financial products:

Type of Trade (circle):	Purchase	Sale		Other (specify)
To be transacted (circle):	On NZX	On ASX	Off-market Trade	Other (specify)
Other (please specify):				
Likely date of trade: (on or about):				

DECLARATION

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of AFT Pharmaceuticals' quoted financial products if it were generally available to the market.

I know of no reason to prohibit me from trading in AFT Pharmaceuticals' quoted financial products and certify that the details given above are complete, true and correct.

I UNDERSTAND THAT CONSENT IS AUTOMATICALLY DEEMED TO BE WITHDRAWN IF I BECOME AWARE OF MATERIAL INFORMATION PRIOR TO THE TRADE BEING COMPLETED.

Signature of Restricted Person _____

Date ____ / ____ / ____

AFT Pharmaceuticals hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with AFT Pharmaceuticals' Securities Trading Policy.

Name:
on behalf of AFT Pharmaceuticals Limited

Date ____ / ____ / ____