

INVICTUS BIOPHARMA LIMITED (Company)

Securities Trading Policy

Introduction

1. These guidelines set out the policy on the sale and purchase of securities in the Company by its Key Management Personnel (KMP).
2. Broadly, KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.
3. For the purposes of this policy, KMP means all Directors and officers of the Company including the CEO, those employees directly reporting to the CEO, their associates (as defined in the Corporations Act 2001 (Cth) (Corporations Act)) and other persons identified by the Company from time to time.
4. KMP are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.
5. The purpose of this policy is to assist KMP to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.
6. Insider trading applies to all employees, not just KMPs. Accordingly, all employees and consultants should be aware of the contents of this policy and how it may apply to them.

What types of transactions are covered by this Policy?

7. This policy applies to both the sale and purchase of any securities (or interests in these securities) of the Company on issue from time to time.

What is "Insider Trading"?

8. Prohibition

Insider trading is a criminal offence. It may also result in civil penalties or liabilities. In broad terms, a person will be guilty of insider trading if:

- a. that person possesses information which is not generally available to the market and, if it were generally available to the market, it would or would be likely to have a material effect on the price or value of the Company's securities (i.e. information that is 'price sensitive'); and
- b. that person:
 - i. buys or sells securities in the Company; or
 - ii. procures someone else to buy or sell securities in the Company; or

- iii. passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

9. Examples

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to materially affect the price of the Company's securities:

- a. the Company considering a major acquisition;
- b. the threat of major litigation against the Company;
- c. the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- d. a material change in debt, liquidity or cash flow;
- e. a significant new development proposal (e.g. new product or technology);
- f. the grant or loss of a major contract;
- g. a management or business restructuring proposal;
- h. a share issue proposal;
- i. an agreement or option to acquire an interest in a patent or other intellectual property, or to enter into a joint venture, collaboration or development agreement in relation to certain intellectual property; and
- j. significant discoveries, clinical trial results, or changes in relevance of intellectual property in which the Company has an interest.

10. Dealing through third parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "**Associates**" in this policy).

11. Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

12. Employee incentive schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee incentive scheme (whether directly or through the exercise of options).

Guidelines for trading In the Company's securities

13. Insider trading is prohibited at all times

If a person possesses inside information they must not buy or sell Company securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how or when the person learns the information.

14. General rule

KMPs must not, except in approved exceptional circumstances, deal in securities of the Company during the following periods:

a. Closed Periods, meaning:

- i. the period each year from the close of trading at the end of the full financial year, and until 10.00am on the next trading day following the release of the Consolidated Interim Financial Report or the Company's Annual Financial Report;
- ii. the period each year from the close of trading at the end of the financial half year, and until 10.00am on the next trading day following the release of the half yearly results of the Company; and
- iii. the period each year from the close of trading at the end of the financial quarter, and until 10.00am on the next trading day following the release of the Company's quarterly reports;

b. Prohibited Periods, meaning:

- i. at any time while the Company is relying on ASX Listing Rule 3.1A to not disclose particular information; and
- ii. any other period that the Company specifies from time to time.

The Company may at its discretion vary this rule in relation to a particular Closed Period or Prohibited Period by general announcement to all KMPs either before or during the Closed Period or Prohibited Period. However, if a KMP is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time.

15. No short-term trading in the Company's securities

KMPs should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

16. No hedging

KMPs must not engage in short selling or other hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities, except in exceptional circumstances and with the prior approval of the Chairman,. This includes engaging in hedging or other arrangements which have the effect of limiting the economic risk in connection with unvested securities issued pursuant to any employee option or share plan. KMPs must not

engage in margin lending or other secured financing arrangements in respect of the Company's securities.

17. Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where a person is aware that the Company is about to sign a major agreement with another company, they should not buy or sell securities in either the Company or the other company.

18. Exceptions

- a. Subject to paragraph 17(b) and 17(c) below, KMPs may at any time:
 - i. acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
 - ii. acquire Company securities under a bonus issue made to all holders of securities of the same class;
 - iii. acquire Company securities under a dividend reinvestment, or top-up plan which is available to all holders or securities of the same class;
 - iv. acquire or agree to acquire options under an employee option plan;
 - v. withdraw ordinary shares in the Company held on behalf of the KMP in an employee share plan where the withdrawal is permitted by the rules of that plan;
 - vi. acquire ordinary shares in the Company as a result of the exercise of options held under an employee option plan;
 - vii. transfer securities of the Company already held into a superannuation fund or other saving scheme in which the KMP is a beneficiary;
 - viii. make an investment in, or trade 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;
 - ix. where the KMP is a trustee, trade in the securities of the Company by that trust, provided the KMP 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 KMP;
 - x. undertake to accept, or accept, a takeover offer;
 - xi. trade 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;

- xii. exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert 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 or the Company has had a number of consecutive Prohibited Periods and the KMP could not reasonably have been expected to exercise it at a time when free to do so; or
 - xiii. trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- b. In respect of any employee share or option plans adopted by the Company, 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 Closed Periods.
 - c. A trade that falls within an exception listed above may still breach insider trading laws if it is undertaken or procured by someone in possession of inside information at the time.

Approval and notification requirements

19. Notification

The Company Secretary will endeavour to advise all KMPs of the Prohibited and Closed Periods or any other period in which securities trading is prohibited from time to time.

20. Approval requirements

- a. Any KMP (other than the Chairman) wishing to buy, sell or exercise rights in relation to the Company's securities must first obtain the prior written approval of the Chairman or the Board (if the Chairman is not available) before doing so.
- b. If the Chairman wishes to buy, sell or exercise rights in relation to the Company's securities, the Chairman must first obtain the prior approval of the Board before doing so.

21. Approvals to buy or sell securities

- a. All requests to buy or sell securities as referred to above must confirm that they do not hold any inside information and include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.
- b. If granted, the approval to trade is valid for the period of time specified on the approval. If no period of time is specified, the approval to trade is valid for 10 business days.
- c. Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.
- d. Any approval can be given or refused by the Company in its discretion, without giving any reasons. The approval or refusal is final and binding on the KMP.
- e. An approval to trade can be withdrawn if new information comes to light or there is a change in circumstances.
- f. If the approval to trade is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.

- g. A trade that has been granted approval may still breach insider trading laws if it is undertaken or procured by someone in possession of inside information at the time.
- h. A person who comes into possession of inside information after receiving approval to trade must not trade despite having received the approval.

22. Notification

Subsequent to approval obtained, any KMP who (or through his or her associates) buys, sells, or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring (except in the case of Directors who must advise the next business day and comply with their disclosure requirements under the ASX Listing Rules and/or the Corporations Act as set out in paragraphs 25 - 27 below). This notification obligation operates at all times but does not apply to acquisitions of shares or options by employees made under employee share or option plans, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option plan.

23. KMP sales of securities

KMPs need to be mindful of the market perception associated with any sale of Company 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 Company 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 KMP 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.

24. Exemption from Closed Periods and Prohibited Periods restrictions due to exceptional circumstance

- a. KMPs who are not in possession of inside information in relation to the Company may be given prior written clearance by the Chairman (or in the case of the Chairman by all other members of the Board) to sell or otherwise dispose of Company securities in a Closed Period or a Prohibited Period where the KMP is in severe financial hardship or where there are exceptional circumstances as set out in this policy.
- b. The determination of whether a KMP is in severe financial hardship or whether there are exceptional circumstances will be made by the Chairman (or in the case of the Chairman by all other members of the Board), and that 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.

25. Financial hardship

- a. A KMP may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

- b. In the interests of an expedient and informed determination by the Chairman (or all other members of the Board as the context requires), any application for an exemption allowing the sale of Company securities in a Closed Period or a Prohibited Period based on financial hardship must be made in writing 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).
- c. Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

26. Exceptional circumstances

- a. Exceptional circumstances may apply to the disposal of Company securities by a KMP if the KMP 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.
- b. Any application for an exemption allowing the sale of Company securities in a Closed Period or a Prohibited Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).
- c. Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

ASX notification for directors

- 27. The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company, including a change to a notifiable interest of a Director including whether the change occurred during a closed period where prior written approval was required and, if so, whether prior written approval was provided in accordance with ASX Listing Rule 3.19A.2.
- 28. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.
- 29. Directors are also required to comply with the Corporations Act and must notify under that Act within 2 business days if they begin to have, or cease to have, a 'substantial holding' in the Company or if they already have a 'substantial holding' in the Company and there is a movement of at least 1% in their holding.

Effect of compliance with this policy

- 30. Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment. Compliance with these guidelines for trading in the Company's securities does not absolve that individual from

complying with the law, which must be the overriding consideration when trading in the Company's securities.

31. Any questions in relation to this Policy should be directed to the Chairman. This policy is reviewed annually.

Dated: 12 October 2018