

CIRCADIAN TECHNOLOGIES LIMITED

SECURITIES TRADING POLICY

1. Introduction

1.1 Securities of the Company are listed on ASX.

1.2 This policy outlines:

- (a) when directors, senior management and other employees may deal in Company Securities; and
- (b) procedures to reduce the risk of insider trading.

2. Defined terms

In this policy:

Approving Officer means:

- (a) for a Designated Officer who is not a director, the chief executive officer;
- (b) for a director (except the chairperson of the board), the chairperson of the board and the CEO; and
- (c) for the chairperson of the board, the chairperson of the Audit Committee and the CEO.

ASX means ASX Limited.

Company Securities includes shares in the Company, options over those shares and any other financial products of the Company traded on ASX.

Designated Officer means a director or person engaged in the management of the Group, whether as an employee or consultant.

Investment Manager includes a stockbroker or other investment adviser who acts on behalf of a Designated Officer or employee. For the avoidance of doubt, an arm's length superannuation fund that is not a self-managed superannuation fund of an employee or Designated Officer does not fall within the definition of Investment Manager.

Related Party has the meaning given to that term in Chapter 19 (Interpretation and Definitions) of the ASX Listing Rules which is as follows:

- (a) *in relation to a body corporate*, the meaning in section 228 of the Corporations Act. Introduced 1/7/96. Amended 13/3/2000, 30/9/2001.

Note: At 13/3/2000, section 228 of the Corporations Act says that:

- (1) An entity that controls a public company is a related party of the public company.
- (2) The following persons are related parties of a public company:
 - (a) directors of the public company
 - (b) directors (if any) of an entity that controls the public company
 - (c) if the public company is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity
 - (d) spouses and de facto spouses of the persons referred to in paragraphs (a), (b) and (c).

- (3) The following relatives of persons referred to in subsection (2) are related parties of the public company:
 - (a) parents
 - (b) children.
 - (4) An entity controlled by a related party referred to in subsection (1), (2) or (3) is a related party of the public company unless the entity is also controlled by the public company.
 - (5) An entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.
 - (6) An entity is a related party of a public company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time in the future.
 - (7) An entity is a related party of a public company if the entity acts in concert with a related party on the understanding that related party will receive a financial benefit if the public company gives the entity a financial benefit.
- (b) Introduced 1/7/96. Amended 1/7/98, 13/3/2000. Deleted 24/10/2005.
- (c) *in relation to a person:*
- (i) his or her spouse, de facto spouse, parent, child, or a spouse or de facto spouse of that person;
 - (ii) an entity controlled by one or more persons referred to in paragraph (i);
 - (iii) an entity that he or she controls;
 - (iv) a person who acts in concert with anyone referred to above,
 - (v) a person who was a related party in the previous 6 months, or who would be a related party in the future, under the tests in section 228 of the Corporations Act (applied with any necessary adaptation).
- Introduced 1/7/96. Amended 1/7/98, 13/3/2000, 30/9/2001.
- (d) *in relation to a trust:*
- (i) the responsible entity;
 - (ii) a related party of the responsible entity under section 228 of the Corporations Act, as modified by section 601LA of the Corporations Act.
- Introduced 1/7/98. Amended 13/3/2000, 30/9/2001, 24/10/2005.

Group means the Company and each of its controlled entities.

3. Insider trading

- 3.1 If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is likely to be illegal for the person to:
- (a) deal in the securities;
 - (b) procure another person to deal in the securities; or
 - (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

- 3.2 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.
- 3.3 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

4. What is inside information?

- 4.1 Inside information is information that:
- (a) is not generally available; and
 - (b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.
- 4.2 Information is generally available if it:
- (a) is readily observable;
 - (b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
 - (c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs 4.2(a) or 4.2(b).

5. What is dealing in securities?

- 5.1 Dealing in securities includes:
- (a) applying for, acquiring or disposing of, securities;
 - (b) entering into an agreement to apply for, acquire or dispose of, securities; and
 - (c) granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.

6. When employees may deal

An employee (who is not a Designated Officer) may deal in Company Securities or the listed securities of another entity if he or she does **not** have information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

7. When employees may not deal

An employee (who is not a Designated Officer) may not deal or procure another person to deal in Company Securities or the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or those securities of the other entity.

8. When a Designated Officer may deal

- 8.1 A Designated Officer may deal in Company Securities if he or she has complied with paragraph 10 and subject to paragraph 9.

8.2 A Designated Officer may deal in the listed securities of another entity if he or she does not have information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

9. When a Designated Officer may not deal

9.1 A Designated Officer may not deal or procure another person to deal in Company Securities:

- (a) if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities; or
- (b) during the one month period immediately preceding the announcement by the Company of its:
 - (i) half-yearly results to ASX ;
 - (ii) its full year results to ASX;or if shorter, the period from the end of the relevant financial reporting period to and including the time of the aforesaid respective announcements; or
- (c) he or she has not complied with paragraph 10.

9.2 A Designated Officer may not deal or procure another person to deal in the listed securities of another entity if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to those securities.

10. Clearance from the Approving Officer

10.1 Before dealing in Company Securities, a Designated Officer must first inform the Approving Officer and obtain clearance. The Company Secretary of the Company is to be informed of all such clearances either before or immediately after they are provided by the Approving Officer(s).

10.2 The Approving Officer may only give clearance during the periods set out in paragraph 8. However, the Approving Officer may not give clearance during those periods if:

- (a) there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities; and
- (b) the Approving Officer has any other reason to believe that the proposed dealing breaches this policy.

10.3 The Approving Officer must:

- (a) keep a written record of:
 - (i) any information received from a Designated Officer in connection with this policy; and
 - (ii) any clearance given under this policy; and
- (b) send a copy of the written record to the Company secretary for keeping.

10.4 The Company secretary must keep a file of any written record referred to in paragraph 10.3.

11. Exceptional circumstances

- 11.1 The Approving Officer may give clearance for a Designated Officer to sell (but not buy) Company Securities in exceptional circumstances where the Designated Officer would otherwise not be able to do so under this policy. For example, if the Designated Officer has a pressing financial commitment that cannot otherwise be satisfied.
- 11.2 The Approving Officer may not give clearance under the exception in paragraph 11.1 if there is a matter about which there is inside information in relation to Company Securities (whether or not the Designated Officer knows about the matter) when the Designated Officer requests clearance or proposes to deal in Company Securities.
- 11.3 The Approving Officer will decide if circumstances are exceptional.

12. Dealings by associated persons and Investment Managers

- 12.1 If a Designated Officer may not deal in the Company Securities, he or she must prohibit any dealing in the Company Securities by:
- (a) any Related Party (including nominee companies and family trusts); or
 - (b) any Investment Manager on their behalf or on behalf of any associated person.
- 12.2 For the purposes of paragraph 12.1, a Designated Officer must:
- (a) inform any Investment Manager or associated person of the periods during which the Designated Officer may and may not deal in Company Securities; and
 - (b) request any Investment Manager or associated person to inform the Designated Officer immediately after they have dealt in Company Securities.
- 12.3 A Designated Officer does not have to comply with paragraphs 12.1 and 12.2 to the extent that to do so would breach their obligations of confidence to the Group.

13. Anti-hedging policy

- 13.1 Designated officers and other employees are not permitted to enter into transactions with Company Securities (or any derivative thereof) which limit the economic risk of any unvested entitlements under any equity-based remuneration schemes offered by the Group.

14. Communicating inside information

- 14.1 If an employee (including a Designated Officer) has information that he or she knows, or ought reasonably to know, is inside information in relation to Company Securities or the listed securities of another entity, the employee must not directly or indirectly communicate that information to another person if he or she knows, or ought reasonably to know, that the other person would or would be likely to:
- (a) deal in Company Securities or those securities of the other entity; or
 - (b) procure another person to deal in Company Securities or the securities of the other entity.
- 14.2 An employee must not inform colleagues (except the Approving Officer) about inside information or its details.

15. Breach of policy

A breach of this policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

16. Distribution of policy

This policy must be distributed to all Designated Officers.

17. Assistance and additional information

Employees who are unsure about any information they may have in their possession, and whether they can use that information for dealing in securities, should contact the chief executive officer.

18. Approved and adopted

This policy was approved and adopted by the board on 14 September 2009.