

## MAYNE PHARMA GROUP LIMITED

# SECURITY TRADING POLICY

### 1. INTRODUCTION

These guidelines set out the policy on the sale, purchase and other dealings of securities in Mayne Pharma Group Limited (the **Company**) by Directors and employees of the Company or any of its wholly owned subsidiaries (**Employees**).

Directors of the Company (**Directors**) and Employees 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.

The purpose of these guidelines is to assist Directors and Employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

### 2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This policy applies to the sale, purchase or other dealings of any securities of the Company and its subsidiaries on issue from time to time.

### 3. WHAT IS INSIDER TRADING?

#### 3.1 Prohibition

Directors and Employees must not engage in insider trading, which is a criminal offence. It may also result in civil liability. 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, would be likely to have a material effect on the price or value of the Company's securities (ie, 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.

#### 3.2 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 affect materially the price of the Company's securities:

- (a) the Company considering a major acquisition or disposal of assets, a takeover or merger;
- (b) the threat of major litigation against the Company;

- (c) the Company's sales and profit 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 i.e., new product or technology;
- (f) the granting (or loss) or a major contract;
- (g) management or business restructuring proposal; and
- (h) a share issue proposal.

### **3.3 Dealing through third parties**

A person does not need to be a Director or Employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by Directors and Employees through nominees, agents or other associates, such as family members, family trusts and companies controlled by the Director or Employee (referred to as "**Associates**" in these guidelines).

### **3.4 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.

### **3.5 Employee share schemes**

The prohibition in 3.1 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 in 3.1 does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

## **4. GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

### **4.1 General rule**

Directors and Employees must not trade in the Company's securities, or in financial products issued or created over or in respect of the Company's securities, during a Prohibited Period.

A Prohibited Period means any Closed Period (see definition below) or additional period when Directors or Employees are prohibited from trading, which is imposed by the Company from time to time when the Company is considering matters which are subject to Listing Rule 3.1A.

#### **Closed Period**

- the period from close of business on 31 December each year until the day following the announcement of half yearly results; and
- the period from close of business on 30 June each year until the day following the announcement of annual results.

## Window Period

Directors and Employees who do not have price sensitive information may trade in the Company's securities without approval in the period of 30 days from the day following:

- the announcement of half-yearly results;
- the announcement of annual results;
- the holding of the Annual General Meeting; or
- any other 'Window Period' notified by the Company from time to time (for example, after an extensive disclosure ahead of an equity raising).

## 4.2 Exceptions

- (a) Directors and all Employees may at any time:
- acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
  - acquire Company securities under a bonus issue made to all holders of securities of the same class;
  - acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
  - acquire, or agree to acquire or exercise options under an employee option scheme or an employee share scheme;
  - withdraw ordinary shares in the Company held on behalf of the Employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
  - acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
  - transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - 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;
    - where a restricted person is a trustee, trade in the securities of the Company by that trust provided the restricted person 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 restricted person;
  - undertake to accept, or accept, a takeover offer;
  - 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;

- (xi) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement permitted by this policy; or
  - (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 and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so.
- (b) In respect of share or option plans, it should be noted that it is not permissible to reimburse the exercise price of options by selling the shares acquired on the exercise of these options unless the sale is in accordance with this Policy.

#### **4.3 Margin lending and derivatives**

- (a) Directors and Employees must obtain prior written approval by the Chairman (or in the case of the Chairman, by all of the other members of the Board) for any proposed dealing in the Company's securities in connection with a margin lending arrangement or a derivative agreement which involves the purchase or sale of an option (including collar arrangements which involve the combination of the sale and purchase of options), or any other arrangement, where upon a purchase or sale of shares could be required by a third party and not within the control of the Director or Employee.
- (b) Where a Director or Employee has entered into margin loan, derivative agreement or similar funding arrangements for a material number of Company securities, the Company may need to disclose the key terms of the arrangements.
- (c) Whether a margin loan arrangement is material under the Listing Rules is a matter which the Company must decide having regard to the nature of its operations and its particular circumstances.

#### **4.4 Hedging transactions**

Directors and Employees must not enter into any arrangement if the arrangement would have the effect of limiting their exposure to risk relating to an element of their remuneration (including equity awards such as options or shares under an employee option plan or loan plan) that has not vested, or has vested but remains subject to a holding lock.

### **5. APPROVAL AND NOTIFICATION REQUIREMENTS**

**Within Window Periods, Directors and Employees who do not have price sensitive information may trade in the Company's securities without approval.**

**Within Prohibited Periods, Directors and Employees may not trade in the Company's securities unless an exception is provided under Section 5.3.**

**Outside the Window and Prohibited Periods, all Employees and Directors must receive clearance for any proposed dealing in Company securities as follows:**

#### **5.1 Approval Requirements – Generally**

- (a) any Director (including the Chief Executive Officer) or Associates must obtain the prior written approval of the Chairman;

- (b) the Chairman or Associates must obtain the prior written approval of the Chairman of the Audit & Risk Committee or the Company Secretary;
- (c) any Key Management Personnel must obtain the prior written approval of the Chairman; and
- (d) any other Employees must obtain the prior written approval of the Chief Executive Officer or Company Secretary.

For the purpose of this policy, “Key Management Personnel” means the individuals described as ‘Key Management Personnel’ in the Company’s Annual Report who are not Directors of the Company.

## **5.2 Approvals to buy, sell or otherwise exercise rights in securities**

- (a) All requests to buy, sell or otherwise exercise rights in securities must be made in writing and include the intended volume of securities to be purchased or sold
- (b) Any approval given in response to a request made in this section 5 may be given or refused by the Company in its discretion, without giving any reasons and may be withdrawn if new information comes to light or there is a change in circumstances.
- (c) Any approval, if issued, will be in writing and will be valid for five (5) trading days from the date it is given, or such other period of time as specified in the approval, meaning that the purchase, sale or other exercise of rights in securities may only occur during that period.
- (d) Any decision to refuse approval is final and binding on the person seeking approval and if a request for approval to trade is refused, the person seeking the approval must keep that information confidential and not disclose it to anyone.
- (e) Copies of written approvals must be forwarded to the Company Secretary prior to the approved transaction.

## **5.3 Exemption from Prohibited Period restriction due to severe financial hardship or exceptional circumstances**

- (a) A Director or Employee who is not in possession of price sensitive information in relation to the Company may only be given prior written approval by the Chairman (or in the case of the Chairman, by all of the other members of the Board) to sell or otherwise dispose of Company securities during a Prohibited Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.
- (b) The determination of whether a Director or Employee is in severe financial hardship or where there are exceptional circumstances will be made by the Chairman (or in the case of the Chairman, all of the other members of the Board).
- (c) A financial hardship or exceptional circumstances 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.
- (d) A Director or Employee 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.
- (e) Exceptional circumstances may apply to the disposal of Company securities by a Director, Employee if the person 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.

- (f) Any application for an approval allowing the sale of Company securities during a Prohibited Period based on severe financial hardship or exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

## **6. NOTIFICATION FOR DIRECTORS**

- (a) Any Director must notify the Company Secretary in writing of the details of any purchase, sale or exercise of rights in relation to the Company's securities by that Director or his or her Associates within three (3) business days of the transaction occurring.
- (b) The ASX Listing Rules require the Company to notify the ASX within five (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. 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.

## **7. EFFECT OF COMPLIANCE WITH THIS POLICY**

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.