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The Company Announcements Office  
ASX Limited

### **Securities Trading Policy**

In accordance with ASX Listing Rule 12.9 which takes effect on 1 January 2011, we attach a copy of Neuren's Securities Trading Policy.

Yours sincerely

A handwritten signature in black ink, appearing to read "Rob Turnbull".

Rob Turnbull  
Chief Financial Officer



## POLICY

### SECURITIES TRADING BY DIRECTORS AND EMPLOYEES OF NEUREN PHARMACEUTICALS LIMITED

#### 1. INTRODUCTION

In order to preserve the reputation and integrity of Neuren Pharmaceuticals Limited, it is vital that when people associated with Neuren deal in the company's securities, those dealings are not only fair, but are seen to be fair. When Directors and Employees deal in securities of Neuren they must be sure that it does not reflect badly on them or Neuren. The following policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

#### 2. DEFINITIONS

**"Associates"** means any Director (or Employee) controlled entity (including trusts and companies). It does not include parents, spouses, dependants and children who are not Director or Employee controlled but act on their own initiative without reference to the Director or Employee. In such cases, the Director or Employee should advise these persons that a risk exists that a Court could find a relevant association or that even without such an association, innuendo could arise if transactions occur outside the relevant Trading Period.

**"ASX"** means the Australian Securities Exchange.

**"Director"** means a director of Neuren Pharmaceuticals Limited or any of its subsidiaries.

**"Employee"** means a person employed by Neuren.

**"Neuren"** means Neuren Pharmaceuticals Limited and its subsidiaries.

**"Securities"** means securities in Neuren quoted on the ASX, and any derivatives and other financial products that can be traded on a financial market and which are issued or created over Neuren securities.

**"Short Term Trading of Securities"** means the buying and selling of the same Securities within the Period during which trading is permitted under this policy.

#### 3. TRADING PERIOD

3.1. Directors and Employees (and their Associates) of Neuren and its subsidiaries may only buy or sell Securities in a period commencing 24 hours after:

3.1.1. Neuren releases its quarterly cash flow results to the ASX;

3.1.2. Neuren releases its half yearly profit results to the ASX;

3.1.3. Neuren releases its yearly profit results to the ASX;

3.1.4. the conclusion of the Annual General Meeting of Neuren;

and limited to a period of 42 days thereafter ("the Trading Period").

- 3.2. All other times outside of the Trading Period is a Closed Period during which trading of Securities is prohibited, except in exceptional circumstances as noted below.
- 3.3. Notwithstanding the Trading Periods described above, Neuren may declare a Closed Period closed at any time at its absolute discretion and without prior notice. For example, this may occur where the Board of Directors of Neuren believes it holds non-public price sensitive information relating to Neuren.
- 3.4. There is to be no Short Term Trading of Securities.

#### **4. EXCLUDED TRADING**

- 4.1. The following shall be excluded from the operation of this Policy:
  - 4.1.1. transfers of Securities which result in no change in the beneficial interest in the Securities;
  - 4.1.2. an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Securities of Neuren) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - 4.1.3. where a Director or Employee is a trustee, trading in Securities by that trust provided the Director or Employee 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 Director or Employee;
  - 4.1.4. undertakings to accept, or the acceptance of, a takeover offer;
  - 4.1.5. trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a share 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;
  - 4.1.6. an issue of Securities to a Director or Employee where shareholder approval for the issue has been sought and obtained in accordance with ASX listing rules;
  - 4.1.7. the exercise (but not the sale of Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of 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 entity has been in a prohibited period of greater than 42 days or the entity 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; and
  - 4.1.8. trading under a non-discretionary trading plan for which prior written clearance has been provided by the Board and:
    - 4.1.8.1. the Director or Employee did not enter the plan or amend the plan during a Closed Period;
    - 4.1.8.2. the trading plan does not permit the Director or Employee to exercise any influence or discretion over how, when or whether to trade; and

- 4.1.8.3. the trading plan cannot be cancelled during a Closed Period except in exceptional circumstances.

## 5. EXCEPTIONAL CIRCUMSTANCES

- 5.1. In exceptional circumstances, the Chairman may provide written clearance to a Director or Employee to trade during a Closed Period if:
- 5.1.1. the sale of Securities is necessary to alleviate severe personal hardship;
  - 5.1.2. the Director or Employee has entered into a binding commitment during a Trading Period where it was not reasonably foreseeable at the time the commitment was made that the trading was likely to occur in a Closed Period;
  - 5.1.3. the Director or Employee is required by a court order, or there are court enforceable undertakings to transfer or sell the Securities or there is some other overriding legal or regulatory requirement for him or her to do so;
  - 5.1.4. there are other circumstances which have not been identified in this Policy, that are deemed exceptional by the Chairman, or the CEO where the Chairman is involved, and the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

## 6. REQUIREMENTS BEFORE TRADING

- 6.1. Before trading at any time (i.e. including during a Trading Period), or giving instructions for trading in Securities, a Director or Employee must:
- 6.1.1. notify the Chairman in writing of their intention to trade;
  - 6.1.2. confirm that they do not hold any inside information;
  - 6.1.3. if they are seeking clearance to trade in exceptional circumstances, provide full disclosure of such circumstances;
  - 6.1.4. have been notified in writing by the Chairman (such response to be provided as soon as practicable upon receipt of notification but in any event no more than 48 hours after receipt of notification) that there is no reason to preclude the Director from trading in the Securities as notified; and
  - 6.1.5. comply with any conditions on trading imposed by the Chairman (including, for example, any time limits applicable to the clearance).
- 6.2. Where the Chairman intends to trade in the Company's securities, he must notify and obtain clearance in the abovementioned manner from at least one other non-executive director before trading, or giving instructions for trading.
- 6.3. Written notification under this Policy via email is acceptable.

## 7. GENERAL

- 7.1. Any questions regarding this Policy should be addressed to the Chairman or the Chief Financial Officer.

## APPENDIX

### ***INSIDER TRADING***

**It should be remembered that the insider trading provisions of Australian and New Zealand law will always override any policy of Neuren. This policy is a guide only and the insider trading provisions must still be observed.** Those provisions prohibit any trading in securities by a person who possesses information in relation to those securities that is not generally available, and that information is of a nature that a reasonable person would expect it to have material effect on the price or value of securities of the relevant body corporate. Trading is also prohibited where a person who possesses the information relating to securities knows or ought to reasonably know that:

- the information is not generally available; and
- if it were generally available it might have a material effect on the price or value of those securities.

It is a defence to a prosecution for insider trading if at the time of the alleged offence, the “insider information” was generally available. The law specifies that information is generally available if:

- it consists of readily observable matter; or
- it has been made known in a manner that would or would be likely to bring the information to the attention of persons who commonly invest in the securities of a kind whose price or value might be affected by the information; and
- since it was so made known, a reasonable period for it to be disseminated among such persons has elapsed.

The periods of time within which trading can be effected, as established under this policy, are a guide only. If a person trades in Securities and at the time of trading the person possesses information relating to Securities and knows or ought to reasonably know that:

- the information is not generally available;
- if it were generally available it might have a material effect on the price or value of the Securities;

the person will have committed an offence under the insider trading provisions of Australian and New Zealand law, irrespective of whether or not the person has traded within the periods of time specified within the policy.

The prohibitions on trading noted above extend to procuring another person to deal in Securities and also to communicating inside information to another person if the Director or Employee knows, or ought reasonably to know, that the other person would, or would likely to deal in the Securities or procure another person to do so.

A Director or Employee in possession of information that might have a material effect on the price of the Securities has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person. Confidentiality is also stressed in relation to external advisers.