

BIODIEM LTD SECURITIES GUIDELINES

1. Introduction

These Guidelines summarise the law relating to insider trading and sets out the manner in which directors, senior executives and employees (and their associates) can deal in the securities of BioDiem Ltd (the **Company**) and the securities of other companies.

These Guidelines aim to create awareness and establish a best practice procedure to protect the Company, its directors and employees against the inappropriate use of unpublished price sensitive information.

The penalties if you trade in shares in breach of these provisions are serious both for you and for the Company (see section 7 below).

2. General policy for dealing in securities

Regardless of your level within the Company, you must not deal in BioDiem Ltd securities when you are in possession of price sensitive information relating to the Company which is not generally available to the market.

It may be difficult for you to assess whether or not information is material to BioDiem Ltd (or another company's) share price. If you are in doubt as to whether or not information you possess is material, you should ask the Chairman or the Company Secretary.

3. Guidelines for directors and senior executives

3.1 Trading windows

Directors and senior executives may, unless the Company tells you otherwise, deal in BioDiem Ltd securities during the following periods, subject to the general restriction on dealing when in possession of price sensitive information:

- (a) the 1 month period from the day following:
 - the announcement of the Company's half-yearly results;
 - the announcement of the Company's annual results; or
 - the holding of the Annual General Meeting;
- (b) for a new issue, while rights are being traded; or
- (c) where the securities are acquired pursuant to an offer made under an approved share or equity plan of the Company.

Other employees should refer to section 4 below.

3.2 During other periods

At all other times outside the trading windows:

- (a) a **director or the CEO** of BioDiem Ltd must inform and receive approval from the Chairman prior to undertaking a transaction;
- (b) the **Chairman** of the Board must inform and receive approval from the Board or the next most senior director prior to undertaking a transaction; and
- (c) other **senior executives** must inform and receive approval from the CEO prior to undertaking a transaction (see section 5.2 for a definition of 'senior executive').

A request for clearance will generally be answered within 24 hours.

3.3 No short-term dealing

It is contrary to the Company's policy for you to deal in BioDiem Ltd securities on a short-term trading basis, except in circumstances of special hardship and with the approval of the Chairman or the CEO.

That is, you **must not** buy and sell BioDiem Ltd securities within the same trading window (refer to section 3.1 above for a description of trading windows).

3.4 Prohibition on hedging

All participants in an approved share or equity plan of the Company are prohibited from engaging in any conduct that seeks to secure the economic value attaching to a security granted under the relevant plan and remove the element of price risk inherent in the value of those securities, while the securities remain unvested.

Prohibited conduct includes, but is not limited to, writing put or call options over the underlying securities, dealing in derivative products or entering into other arrangements intended to hedge a 'profit' in those securities.

3.5 ASX notification by directors

Directors must notify the Company if there is a change in their security interests as soon as possible and, in any event, **within 2 days** of entering into a trade to enable the Company to comply with relevant timeframes under the Listing Rules in relation to notification of changes to directors' relevant interests.

Any director requiring assistance in this regard should contact the Company Secretary.

3.6 Disclosure of margin loan arrangements

Where a director or senior executive enters into a margin loan or similar funding arrangement in relation to securities in the Company, they must immediately disclose the key terms of any such arrangement to the Company Secretary. Information to be disclosed will include, as appropriate, the number of securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details.

The Company will disclose margin lending arrangements to the market where required by law or practice, having regard to the materiality of the arrangements to the Company and whether the information would, or would be likely to, have a material effect on the price or value of the Company's Shares.

4. Guidelines for general employees

It is the responsibility of each employee to ensure that they observe the prohibition on insider trading, as outlined in section 5 below.

Employees who are not involved in the management of the Company and who do not generally have access to price sensitive information may trade in BioDiem Ltd securities at any time, provided that the employee:

- is not in possession of 'inside information' at the relevant time; and
- informs the Company Secretary of the intention to trade.

5. Prohibition on insider trading

5.1 General rule

The Corporations Act prohibits 'insider trading'. A person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public;
- (b) that information may have a material effect on the price of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of securities.

The prohibition also extends to:

- (a) advising, procuring or encouraging another person to deal, or enter into an agreement to deal, in BioDiem Ltd securities; and
- (b) directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another person to deal in, those securities.

5.2 Relevant terms

Securities	The definition of securities in the Corporations Act is very broad, and includes ordinary and preference shares, options, debentures, convertible notes and any other financial product able to be traded on a financial market.
Dealing in securities	Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to forward contracts, granting options and hedging securities. It also extends to entering into an agreement to do any of the above.
Generally available information	The prohibition on insider trading does not apply to information that is generally available, that is where the information is: <ul style="list-style-type: none">▪ readily observable;▪ made known in a manner that would, or would be likely to, bring it to the attention of people who commonly invest in BioDiem Ltd securities or securities of a kind similar to BioDiem Ltd securities, and a reasonable period has elapsed to allow the information to be disseminated; or▪ able to be deduced, concluded or inferred from those types of information.
Information	For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public.
Inside information	Information is 'inside' if it is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect (upwards or downwards) on the price or value of a security.
Material effect on the price of securities	Information is considered to be likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

The following types of information would be likely to be considered to have a material effect on a company's share price:

- information regarding a material increase or decrease in BioDiem Ltd's financial performance from previous results or forecasts (eg. changes to profit results and distributions);
- a proposed material business or asset acquisition or sale;
- proposed material legal proceedings to be initiated by or against BioDiem Ltd;
- regulatory action or investigations undertaken by a Government authority;
- the launch of a material new business; or
- key changes to the Board or management of BioDiem Ltd.

Senior executive

A senior executive means the Company Secretary and those employees who report directly to the CEO or who are otherwise designated by the CEO from time to time as employees to whom this Policy applies.

5.3 Relationship to the continuous disclosure regime

Under the Corporations Act and the Listing Rules, the Company must immediately release to the ASX any information concerning it which may reasonably be expected to have a material effect on the price or value of the Company's securities, subject to limited exceptions.

Importantly, if a person deals in BioDiem Ltd securities at a time when that person is aware of price sensitive information which, but for a carve-out to the Listing Rules, would need to be disclosed to the market, that person will be in breach of the insider trading provisions.

6. Securities of other companies

The prohibited conduct under the Corporations Act also extends to dealings in securities of other listed companies with which BioDiem Ltd may be dealing (including the Company's customers, contractors or business partners) where an employee possesses 'inside information' in relation to that other company.

That is, if you are aware of information that is not generally available that may have a material effect on the price or value of another company's securities, you should not deal in the securities of that company.

You may come into possession of 'inside information' where you are directly involved in client relationship management or negotiating contracts. For example, if you are aware that BioDiem Ltd is negotiating a major transaction (whether a business acquisition or a business sale) with a listed company that may have an effect on the share price of that company, then you should not buy securities in the other company.

7. Penalties

BioDiem Ltd is committed to ensuring compliance with securities laws. Each employee, director and officer is, and will be held, responsible for the observance of these Guidelines. Any non-compliance will be regarded as serious misconduct which may entitle the Company to take corrective disciplinary action. It might also have a serious impact on the Company's reputation.

A breach of the insider trading prohibition may result in criminal and civil penalties under the Corporations Act.