



## Securities Trading Policy

### Introduction

The Securities Trading Policy outlines some of the legal issues relating to the trading in Giaconda shares, options and other securities (**Giaconda Securities**) and provides some guidelines to assist directors, officers, employees and consultants of Giaconda (**Giaconda Persons**) comply with the law. This policy does not provide comprehensive legal advice on trading, there are many more laws that exist in relation to trading securities than set out in this Policy.

The Policy is directed to ensuring that Giaconda Persons do not trade Giaconda Securities while in the possession of 'Price-Sensitive Information' and this applies regardless of whether the terms of this Policy are complied with.

This Securities Trading Policy has been approved and adopted by the Board of Directors.

This Securities Trading Policy must be complied with by all Giaconda Persons.

### Fundamental Principle

The fundamental principle of this Securities Trading Policy is that Giaconda Persons will not trade in Giaconda Securities while in possession of 'Price-Sensitive Information'. This will ensure compliance with the insider trading provisions of the *Corporations Act 2001* (Cth) and ensure that Giaconda Persons behave ethically and do not place themselves under suspicion of misusing price-sensitive information.

### Purpose

The purpose of this Securities Trading Policy is

- to regulate the dealings in Giaconda Securities by Giaconda Persons.
- to assist Giaconda Persons in understanding their legal restrictions on trading in Giaconda Securities while in possession of 'Price-Sensitive Information';
- to assist Giaconda Persons in understanding how to avoid conduct known as insider trading;
- to assist in maintaining market confidence in the trading of Giaconda Securities;
- intended to assist with minimising the risk of misunderstandings or suspicions arising when Giaconda Persons trade in Giaconda Securities while in the possession of price sensitive information.
- to assist in maintaining in Giaconda's reputation by avoiding any perception of insider trading.

The Policy is readily available to all Giaconda Persons to ensure that all Giaconda Persons are aware and understand their obligations and restrictions on trading in Giaconda securities whilst in possession of 'Price-Sensitive Information'.

Giaconda Persons are required to fully understand this Securities Trading Policy and as needed seek assistance from the Company Secretary of Giaconda Limited to fully understand the Policy before trading in Giaconda Securities.



### **Price-Sensitive Information**

Price-Sensitive Information is defined for the purposes of this Policy as any information concerning Giaconda Limited which is not generally available to the market and:

- if it were generally available to the market a reasonable person would expect it to be likely to have a material effect on the price or value of any Giaconda security; or
- if it were generally available to the market it would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities; or
- the knowledge of which may give the person proposing to deal in Giaconda Securities an advantage over other persons holding or dealing in Giaconda Securities.

Generally price sensitive information is any information which could have a material effect on the price of Giaconda Securities that has not yet been disclosed to the market.

### **Examples of Price Sensitive Information**

Price Sensitive Information includes:

- information regarding significant changes in the holdings of any Director;
- information regarding changes in the holdings of substantial shareholders;
- information on matters that have not yet been finalised;
- granting of IND
- material agreements that Giaconda is negotiating;
- anticipated or actual results of clinical trials;
- registration of Giaconda's products by a government agency;
- liquidity, cash flow or profit information;
- proposed dividend announcements;
- proposed changes to Giaconda's capital structure;
- recruitment, resignation, retirement or ill health of personnel;
- any potential acquisitions or disposals;
- proposed changes regarding the general character or nature of Giaconda's business;
- any litigation that Giaconda may be involved in;
- appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by Giaconda or the Giaconda group.

This is not an exhaustive list.

### **Trading in Giaconda Securities & Insider Trading**

Giaconda Persons holding Price Sensitive Information must not sell, buy or exercise Giaconda Securities. Selling, buying or exercising Giaconda Securities while knowing Price Sensitive Information or procuring someone else to buy, sell or exercise Giaconda securities is likely to be an offence under the Corporations Act (insider trading laws).

Giaconda Persons could also breach insider trading laws by communicating Price Sensitive Information or by causing the Price Sensitive Information to be communicated to a third party (which includes family and friends) who the Giaconda Person would know or ought to reasonably know, would be likely to buy, sell or exercise securities or procure someone else to buy, sell, or exercise securities of Giaconda.

Such a breach could result in penalties which may include fines and imprisonment.



## **Restrictions on Trading in Giaconda Securities**

During certain times of the year Giaconda Persons are subject to Banned Trading Periods where they are not permitted to trade in Giaconda Securities. These periods of restriction do not restrict a Giaconda Person's participation in the Giaconda Employee Share Plan but trading in Giaconda Securities to which the Giaconda Person becomes entitled under the Plan is prohibited during these times.

### **Banned Trading Periods**

#### **1. Giaconda Persons is in possession of Price-Sensitive Information**

All Giaconda Persons must not trade in Giaconda Securities while in possession of Price-Sensitive Information.

#### **2. Blackout Periods**

Giaconda Persons must not trade in Giaconda Securities in the following periods which are designated under this Policy as 'blackout periods':

- 30 June until 48 hours after the announcement by Giaconda of its half-yearly results, being around the middle of August of each year; or
- 31 December until 48 hours after the announcement by Giaconda of its half-yearly results, being around the middle of February of each year.
- 48 hours from the time a price sensitive announcement is released to the Australian Stock Exchange.

#### **3. Dealing Bans**

Giaconda may, at any time, communicate to all Giaconda Persons that they must not deal in Giaconda Securities for a specified period of time. If Giaconda makes such a communication you:

- must not deal in Giaconda Securities until the expiration of the time specified by Giaconda; and
- must not tell persons outside Giaconda about the dealing ban.

### **Procedure When Trading in Giaconda Securities**

#### **1. Ensure you are not in possession of price-sensitive information and note the Banned Trading Periods**

Ensure that you are not in possession of price sensitive information when making a decision to trade in Giaconda Securities and that you have given regard to the Banned Trading Periods.

#### **2. Don't Discuss**

Giaconda Persons should not discuss their trading of Giaconda Securities among themselves as this may involve sharing of Price-Sensitive Information.

#### **3. Advise CEO before Trading**

Even outside the Banned Trading Periods before placing any order to buy, sell or otherwise deal in any Giaconda Securities, Giaconda Persons should inform the CEO of their intentions. Where possible the CEO will make an immediate decision on whether the Giaconda Person can deal in Giaconda Securities. When the CEO requires further advice, the CEO will respond to Giaconda Person as soon as possible.



#### ***4. Notification in Dealings***

Giaconda Persons are required to notify the Company Secretary within 1 business day after their interest or their related party's interest in Giaconda Securities changes. This enables Giaconda to notify the ASX by the end of the next business day following receipt of the notification

**Board Resolution - 30 October 2006**