

GENERA BIOSYSTEMS LIMITED

SECURITIES TRADING POLICY

Version: 2

Effective date: 1 September 2012

Version history:

Version no.	Approved by Board	Effective date	Comments
1	16 December 2010	1 January 2011	Incorporates previous existing version, with amendments to ensure compliance with ASX LRs 12.9 to 12.12
2	28 August 2012	1 September 2012	Replace windows with blackouts; re-format

Part A – Application

The Employee Securities Trading Policy has been established to govern the trading in shares and securities by the Directors, management and employees of Genera Biosystems Limited.

In this policy:

“**Securities**” includes shares as well as financial products issued or created over shares by third parties, structured financial products, swaps, futures contracts, contracts for differences, spread bets options, warrants, depositary receipts or other derivatives over or related to the performance of shares.

“**Trading**” means:

- Applying for, acquiring, or disposing of the securities or entering into an agreement to do so.
- Procuring someone else to trade in those securities or to enter into an agreement to do so.
- Communicating (directly or indirectly) the information to another person if you know or ought reasonably to know that the other person would or would be likely to trade the securities or to procure someone else to do so.

The persons to whom this policy applies are as set out below:

- all Directors and employees of the Company, including “Key Management Personnel” as defined by the ASX Listing Rules;
- Spouse or de facto partner of Directors or employees of the Company;
- Children under 18 years of Directors or employees of the Company;
- Trustees of a trust of which Directors or employees of the Company are beneficiaries;

This policy applies to trading by any of the above persons on their own behalf, as agent for someone else or through third parties.

Part B – Purpose

The Corporations Act 2001 and the ASX Listing Rules prohibit Directors, officers and employees from gaining advantage for themselves or for someone else through the improper use of their position. The ASX Principles of Good Corporate Governance and Best Practice recommendations suggest that

companies should consider supplementing those statutory and regulatory requirements with a formal policy governing trading practices, and must disclose such a policy.

To that end this policy is specifically designed to raise awareness and minimise any potential for breach of the prohibitions on insider trading, either in substance or appearance. All employees are required to conduct their personal investment activity in a manner that is lawful.

Part C – Policy Statement

All trading in securities by Directors, officer and employees (collectively “Employees”) of the Company must be in accordance with this policy.

Consistent with the law, all employees are prohibited in all circumstances from trading in securities at any time if they are in possession of non-public price sensitive information regarding the Company and its securities whether or not it meets the requirements under this policy.

What is “Price Sensitive Information”?

The Corporations Act 2001 defines “information” as including:

1. Matters of supposition and other matters that are insufficiently definite to warrant being made known to the public;
2. Matters relating to the intentions, or likely intentions, of a person. Where such information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of a security, then that information is deemed price sensitive.

Examples of such information may include:

- Half-yearly or full year results;
- A proposed alliance, joint venture or acquisition;
- A proposed capital raising;
- An unexpected potential liability e.g. material litigation

Prohibitions

Employees, in all circumstances, are prohibited from trading in securities where that trading amounts to “short-selling”. For this purpose, “short-selling” amounts to disposing of securities within 3 months of their acquisition.

Part D – Trading Restrictions

1. Trading of Company Securities

For the purpose of this policy, “Company Securities” means any security in Genera Biosystems Limited. Employees may only trade in Company Securities if all of the following requirements are met:

- (a) The black out period does not apply;
- (b) The employee does not have price sensitive information;
- (c) The employee has followed the notice procedure set out below; and
- (d) The relevant approving officer has given consent to trade.

2. Black Out Period

There may be 2 types of black out periods imposed, during which employees are not permitted to trade Company Securities:

1. Automatic black out period

- the period between half-year end and the day after the date of release of the half year announcement to ASX;
- the period between year end and the day after the date of release of the full year announcement to ASX;
- the period between quarter end and the day after the date of release of the Appendix 4C to ASX;

2. Board-imposed black out period – any period imposed by the Board by notice.

The Board maintains the right to lift all and/or part of a black out period, at its discretion. Notice of a decision to lift a black out period will be given to Employees via email within 1 business day.

Where there are special circumstances and an employee wishes to trade during a black out period, that employee must obtain the consent of the designated approving officer prior to trading. Consent to purchase will rarely be given, and an example of when consent to sell may be given is where the employee is experiencing considerable financial hardship or has a financial commitment that can not otherwise be satisfied.

3. Trading by Employees allowed during black out periods

Subject to insider trading prohibitions, Employees may trade in Company Securities during a black out period without prior written clearance, where:

- the trade results in no change in beneficial interest in the securities; or
- where trading occurs via investments in a scheme or other arrangement where the investment decisions are exercised by a third party; or
- where the restricted person has no control or influence with respect to trading decisions; or
- where the trading occurs under an offer to all or most of the security holders of the Company.

Therefore, Employees may trade in Company Securities during black out periods in the following situations, provided they are not in possession of inside information:

- transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the Employee is a beneficiary;
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the entity) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a Employee is a trustee, trading in the securities of the Company by that trust provided the Employee is not a beneficiary of the trust and any decision to trade during a black out period is taken by the other trustees or by the investment managers independently of the Employee;
- undertakings to accept, or the acceptance of, a takeover offer;
- trading 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 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;

- a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- the exercise (but not the sale of securities following exercise) of an option or a right under the Company's Employee Share Ownership Plan, where the option or right was issued on or after 1 January 2011, 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 black out period and the Company has been in an exceptionally long black out period or the Company has had a number of consecutive black out periods and the Employee could not reasonably have been expected to exercise it at a time when free to do so.

4. Price sensitive Information

The definition of price sensitive information is that given in Part C of this document.

5. Notice Procedure

All employees must give written notification, in accordance with the table set out below, in each of the following cases:

- Prior notification of the intention to trade.
- Within 1 trading day immediately after trading, to confirm the transaction. Notification must include date of trading and volume of shares.

EMPLOYEE	DESIGNATED APPROVING OFFICER
Chairman	Fellow Director
Chief Financial Officer	Chairman
All Other Directors	Chairman
All Other Employees	Chairman

All notifications will be reported to the Board by the Company Secretary.

6. Consent

The designated approving officer, in accordance with the table set out above, is required to notify the employee of the consent to trade within 1 business day of receiving notification of the intention to trade. Where consent has not been given, the approving officer is under no obligation to reveal to the employee his/her reasons for making that decision.

Part E – Breaches

Insider trading is strictly prohibited by law and it is incumbent upon all employees to uphold that prohibition.

Breaches of this policy will be viewed as gross misconduct and will lead to disciplinary action against the relevant employee, including termination. Any employee who becomes aware of a violation of this policy should immediately report the violation to the Company Secretary.

It should also be noted that, in some circumstances, Genera Biosystems may be obliged to notify the relevant criminal or regulatory authorities of any actions which constitute a breach of this policy.