



Company Announcement

Thursday 30th December 2010
Melbourne, Australia

Clinuvel Share Trading Policy

In accordance with amendments to the ASX listing rules due to come into effect on January 1 2011, Clinuvel Pharmaceuticals Limited's (ASX: CUV; XETRA-DAX: UR9; ADR: CLVLY) Share Trading Policy, Section 2 of the company's Corporate Governance guidelines, has been appended to this document.

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About Clinuvel Pharmaceuticals Limited

Clinuvel Pharmaceuticals Ltd is a leading and innovative Australian company focused on the development of SCENESSE® (afamelanotide), its proprietary first-in-class photoprotective drug. Clinuvel has identified a number of groups of patients with a clinical need for photoprotection and one with a need for repigmentation therapy. Currently, Clinuvel is in its final stages to complete testing of SCENESSE® in Phase II and III trials in Australia, Europe and the United States. Clinuvel's ongoing focus is to demonstrate the safety and efficacy of SCENESSE®. Pending positive clinical results, Clinuvel aims to file SCENESSE® for its first market approval for the orphan indication porphyria (EPP).

Clinuvel's initial focus is to test SCENESSE® in four clinical indications currently being trialled:

Indication	Description	Clinical Trial Status
Erythropoietic Protoporphyrin (EPP)	Absolute sun/UV intolerance	Phase III trial full results reported July 2010 Confirmatory Phase III trial approved August 2009
Actinic Keratosis (AK) and Squamous Cell Carcinoma (SCC) in Organ Transplant Recipients (OTRs)	Skin cancer in transplant patients	Phase II trial started October 2007
Polymorphic Light Eruption (PLE / PMLE)	Severe sun/UV poisoning	Phase III trial preliminary results reported December 2009
Nonsegmental Vitiligo (NSV)	Pigmentary disorder	Phase II pilot trial to commence in 2011

Phase I and II human clinical trials using SCENESSE® have demonstrated that the drug is well tolerated and no significant safety concerns have been identified to date. Following successful conclusion of the development program, Clinuvel will work closely with global regulators to facilitate marketing approval of SCENESSE®.

For more information go to <http://www.clinuvel.com>.

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Clinuvel is an Australian biopharmaceutical company focussed on developing its photoprotective drug, SCENESSE® (afamelanotide) for a range of UV-related skin disorders resulting from exposure of the skin to harmful UV radiation. Pharmaceutical research and development involves long lead times and significant risks. Therefore, while all reasonable efforts have been made by Clinuvel to ensure that there is a reasonable basis for all statements made in this document that relate to prospective events or developments (forward-looking statements), investors should note the following:

- actual results may and often will differ materially from these forward-looking statements;
- no assurances can be given by Clinuvel that any stated objectives, outcomes or timeframes in respect of its development programme for SCENESSE® can or will be achieved;
- no assurances can be given by Clinuvel that, even if its development programme for SCENESSE® is successful, it will obtain regulatory approval for its pharmaceutical products or that such products, if approved for use, will be successful in the market place

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SECTION 2 – SHARE TRADING POLICY

1. INTRODUCTION

Company directors and employees, like other individuals, are prohibited from insider dealing by the *Corporations Act*. It is a civil and criminal offence for an individual who is in possession of material price-sensitive information to deal in securities where that information is not generally available. It is also an offence to procure other persons to deal in the Company's securities and to disclose inside information with a view to others profiting from that information.

This share trading policy sets out the policy and procedures relating to the dealing by directors, employees and certain consultants employed by the Company in the securities (eg, shares, preference shares and options) of the Company. The policy and procedures have been developed having regard to Australian law and best corporate governance practice. The purpose of the policy is to provide the Company's directors with strict guidelines to be complied with in any proposed dealing in the Company's securities.

Dealing includes any subscription, redemption, purchase, sale, entering into any agreement to effect the same, exercise of an option or other right or entering into any other form of agreement to acquire or dispose of an interest in securities

2. SUMMARY OF THE AUSTRALIAN LAW

A director, employee or any other person must not engage in 'insider trading' – that is, they must not deal in any securities of the Company where:

- (a) he/she is in possession of information which is not generally available; and
- (b) that information may have a material effect on the price or value of the securities of the Company; and
- (c) they know 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 or value of the securities.

In addition, a director, employee or consultant with inside information must not procure another person to deal in the Company's securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in the Company's securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do something. It includes inciting, inducing or encouraging an act or omission.

Information is 'generally available' if:

- (a) it consists of readily observable matter;
- (b) it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed. For example, this means it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or

- (c) it may be deduced, inferred or concluded from methods of dissemination such as the above.

Information is defined broadly for the purposes of the insider trading provisions of the *Corporations Act* and includes matters of supposition and other matters that are insufficiently definite to warrant being known to the public. It also includes matters relating to the intentions of a person.

Information is likely to have a material effect on either the price or value of the 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.

Inside information means information which:

- (a) relates to particular securities or to a particular issuer or to particular issuers of securities and not to securities generally or issuers of securities generally (and, for these purposes, information shall be treated as relating to an issuer of securities which is a company not only where it is about that Company but also where it may affect that Company's business prospects);
- (b) is specific or precise;
- (c) has not been made public; and
- (d) if it were made public would be likely to have a significant effect on the price or value of those securities.

The prohibition directly affects directors, employees and consultants dealing in the Company's securities, either for personal gain or for the gain of any other person. However, a person does not need to be a director, employee or consultant of the Company to be guilty of insider trading in relation to the Company's securities. It also affects all companies of which they are directors, dealings by directors, employees and consultants through nominees, agents or other associates, such as family members, family trusts and family companies and any other person who is encouraged to deal in the Company's securities by the director, employee or consultant.

The prohibited conduct includes dealings in securities of the Company as well as of other companies with which the Company may be dealing where an employee possesses 'inside information' in relation to that other company. For example, where a director, employee or consultant is aware that the Company is about to sign a major agreement with another company, you should not buy shares in either the Company or the other company.

Penalties for breach of the prohibition are severe and include:

- X in the case of a natural person:
 - (a) a criminal penalty up to \$220,000 or imprisonment for 5 years or both; and
 - (b) a pecuniary penalty of \$200,000 for civil liability; and
- X in the case of a body corporate:
 - (a) a criminal penalty up to \$1,100,000; and
 - (b) a pecuniary penalty of \$1,000,000 for civil liability.

In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the contravention.

The prohibition does not apply to subscriptions for shares by directors or employees made under an employee share scheme, shares issued under a dividend reinvestment plan or any new issues in which all shareholders are entitled to participate.

3. DEALINGS BY DIRECTORS, EMPLOYEES AND CONSULTANTS

It is the policy of the Company that no director, employee or consultant may deal in the Company's securities unless the procedures set out below have been strictly complied with.

3.1 Guidance on dealings

For the avoidance of doubt, the following constitute dealing for the purposes of this policy and are consequently subject to the provisions of this policy:

- (a) buying or selling securities;
- (b) subscribing for new shares;
- (c) entry into an agreement to subscribe for, buy or sell, securities;
- (d) the grant to, or acceptance by such person or entity of any option relating to such securities or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of such securities;
- (e) arrangements which involve a sale of securities with the intention of repurchasing an equal number of such securities soon afterwards;
- (f) dealings between directors and/or employees and/or certain consultants of the Company's;
- (g) off-market dealings; and
- (h) transfers for no consideration by a director.

The following dealings are not subject to the provisions of this policy:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of securities in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer.

3.2 Directors, Employees and Consultants

All directors, employees and consultants must comply with the terms of this policy.

Any employees or consultants who are considering the purchase or sale of the Company's securities should advise the CEO of their intention if they are in any way

uncertain as to whether the timing of their intention to purchase or sell securities is appropriate.

3.3 Notification of dealing

During their term of engagement and for three months after termination, directors, employees and consultants must receive clearance for any proposed dealing in the Company's securities by:

- (a) in the case of directors, employees and consultants of the Company, providing written notice to the CEO in advance so as to obtain such clearance, and
- (b) in the case of the CEO, providing written notice to the Chair in advance so as to obtain such clearance.

Such notification must detail the number of shares or options to be traded and the timing.

On notification, the CEO or the Chair (as the case may be) must advise details of the proposed trading of the Company's securities to all other directors, in writing.

Notification must take place immediately after notice of the proposed trade is received from the director, employee or consultant. The notification procedure applies at all times, and is to be complied with for all parcels of securities proposed to be bought or sold or otherwise the subject of a dealing.

On notification, each board member is allowed five (5) business days to comment on the proposed trade and a majority of the board must approve the trade in writing. Subject to the provisions of this Share Dealing Code being complied with, such approval will not be unreasonably withheld. When a majority of the board has approved the trade and the five (5) business days has elapsed, the trade may proceed and must be completed within the next five (5) business days, providing the Company, its directors, employees or consultants are not in possession of price-sensitive information which would prohibit trading.

The Board may determine that directors, employees and consultants with total ownership of securities below a certain threshold is to be approved using a different procedure.

3.4 Circumstances where clearance most appropriate

As a matter of practice, the following periods are the most appropriate times for directors, employees and consultants to deal in securities of the Company:

- (a) in the four weeks following the day after the release of the annual accounts;
- (b) in the four weeks following the day after the release of the half-yearly accounts; and
- (c) in the four weeks following the day after the annual general meeting (on the basis that any developments of a price sensitive nature since the release of the annual accounts will be announced by the Chair at the meeting),

except where the director, employee or consultant is in possession of price-sensitive information which has not been made generally available.

3.5 Limitations and guidelines on dealing

Directors, employees and consultants must recognise that they may have ownership of large blocks of stock that could unduly affect the market for the company's stock if they are not marketed in an orderly manner or in accordance with the requirements of the *Corporations Act*.

Accordingly, unless further Board approval is obtained, the following limitations apply:

- (a) A director, employee or consultant may not sell securities exceeding one-third of the average daily trading volume for the last 180 days *directly* on the market in any one month. This limitation applies every month and may not be accumulated – ie, a quantity not sold one month may not be added to the next month. This limitation does not apply to any off-market transfers or transfers which occur via a “crossing” or similar such transaction.
- (b) A director, employee or consultant may not sell securities where the sale would require a disclosure document to be issued pursuant to the provisions of the *Corporations Act*. (Where no disclosure document is required to be issued, directors, employees and consultants may, subject to the remainder of this clause 3.5, sell any amount of shares or options in private, off-market transactions to institutional or sophisticated investors);
- (c) Directors, employees and consultants must not “shop” an excessive number of brokers and/or potential buyers or sellers so that the sale becomes widely known. They must proceed in a discrete manner when buying or selling securities and be mindful of the effect of their actions on the market and the perceptions of investors.

Failure to observe these Guidelines for trading shares is a serious matter and will result in disciplinary action by the board.

3.6 No dealing in prohibited period

Subject to paragraph 3.12, a director, employee or consultant must not deal in any securities of the Company during a prohibited period. A ‘prohibited period’ means:

- (a) any ‘close period’ (see section 3.7 below);
- (b) any period when there exists any matter which constitutes inside information in relation to the Company's securities (whether or not the director, employee or consultant has knowledge of such matter); or
- (c) any period when any director, employee or consultant has reason to believe that the proposed dealing is in breach of this policy.

3.7 Close periods

For the purpose of this policy, and in particular paragraph 3.6(a), a ‘close period’ is:

- (a) the period of two months immediately preceding the preliminary announcement of the Company's annual results or, if shorter, the period from the end of the relevant financial year to and including the time of the announcement; and
- (b) if the Company reports on a half-yearly basis, the period of two months immediately preceding the announcement of the half-yearly results or, if shorter, the period from the end of the relevant financial period to and including the time of the announcement; and

- (c) except as provided in paragraphs (a) and (b) for the half year and end of financial year respectively, if the Company also reports on a quarterly basis, the period of one month immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period to and including the time of the announcement.

3.8 Short term dealing

A director, employee or consultant must not deal in any securities of the Company on considerations of a short term nature. That is, directors, employees and consultants may not buy and sell securities within a 3 month period without permission from the CEO. In addition, directors, employees and consultants may not enter into any short term dealings (eg, forward contracts) without permission from the CEO.

3.9 ‘Insider trading’

A director, employee or consultant must not deal in any securities of the Company at any time when he/she is in possession of inside information in relation to the Company or those securities (as defined under Australian law).

3.10 Exercise of employee rights or options

On written application by a director, employee or consultant, the Chair or CEO may allow the exercise of an option or right under an employee share scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during any prohibited period and the director, employee or consultant could not reasonably have been expected to exercise it at an earlier time when he/she was free to deal.

Where an exercise or conversion is permitted pursuant to paragraph 3.10 of this policy, the Chair or CEO may not give clearance for the sale of securities acquired pursuant to such exercise or conversion during the prohibited period.

3.11 Dealing in exceptional circumstances

In exceptional circumstances a director, employee or consultant may sell (but not purchase) securities when he/she would otherwise be prohibited from doing so only because the proposed sale would fall within a close period. However, trading must not take place if the CEO or other director is aware of any other reason why the director, employee or consultant would be prohibited from dealing by this policy. An example of the type of circumstance which may be considered exceptional for these purposes would be severe personal hardship or a pressing financial commitment on the part of the director, employee or consultant that cannot otherwise be satisfied. The determination of whether circumstances are exceptional for this purpose must be made by a majority decision of the board.

3.12 Director acting as trustee

Where a director is a sole trustee (other than a bare trustee), the provisions of this policy will apply as if he/she were dealing on his/her own account. Where a director is a co-trustee (other than a bare trustee), he/she must advise his/her co-trustees that he/she is a director of the Company. If he/she is not a beneficiary, a dealing in the Company's securities undertaken by that trust will not be regarded as a dealing by the director for the purposes of this policy where the decision to deal is taken by the other trustees acting independently of the director or by investment managers on behalf of the trustees. The other trustees will be assumed to have acted independently of the director for this purpose where they:

- (a) have taken the decision to deal by a majority without consultation with, or other involvement of, the director concerned; or
- (b) if they have delegated the decision making to a committee of which the director is not a member.

3.13 Dealings by connected persons and investment managers

A director must (so far as is consistent with his/her duties of confidentiality to the Company) seek to prohibit (by taking the steps set out in paragraph 3.14 of this policy) any dealing in securities of the Company during a close period or at a time when the director is in possession of unpublished price sensitive information in relation to those securities and would be prohibited from dealing under paragraphs 3.9 or 3.6(b) of this policy:

- (a) by or on behalf of any person related to him or her (within the meaning of the term 'related entity' in the *Corporations Act*), which includes the director's spouse, de facto, family members, associated trusts, companies or other third parties contemplating the acquisition or sale of securities on the director's behalf (and also includes any company over which such persons or entities have 20% of its equity or voting rights); or
- (b) by an investment manager on his/her behalf or on behalf of any person associated with him/her where either he/she or any person connected with him/her has funds under management with that investment manager, whether or not discretionary (save as provided in paragraph 3.12 of this policy).

3.14 Director's duty to notify connected persons

For the purposes of paragraph 3.13 of this policy, a director must advise all such connected persons and investment managers:

- (a) that he/she is a director of the Company;
- (b) of the close periods during which they cannot deal in the Company's securities;
- (c) of any other periods when the director knows he/she is not free to deal in securities of the Company under the provisions of this policy unless his/her duty of confidentiality to the Company prohibits him from disclosing such periods; and
- (d) that they must advise him/her immediately after they have dealt in securities of the Company (save as provided in paragraph 3.12 of this policy).

3.15 Clearance records

A written record must be maintained by the Company of the receipt of any advice or notification received from a director, employee or consultant pursuant to paragraph 3.3 of this policy. If requested by the director, employee or consultant concerned, written confirmation from the Company that such advice has been recorded must be given to the director, employee or consultant concerned.

3.16 List of dealings

A list of dealings in the securities of the Company since the date of the last Board meeting should be circulated to members of the board with the board papers for each board meeting where such dealings are:

- (a) by or on behalf of a director, employee or consultant;

- (b) by connected persons of a director, employee or consultant; or
- (c) by investment managers on behalf of either a director, employee or consultant or an associate of a director, employee or consultant (unless paragraph 3.12 of this policy applies).

3.17 ASX notification

The *Corporations Act* obliges any director dealing in the Company's securities to notify the ASX within 14 days after that dealing. ASX Listing Rule 3.19A obliges the Company to make the same notification within 5 business days. Accordingly, to enable the Company to fulfil its obligations, each director must advise the CEO and the Company Secretary of any dealing in the Company's securities within 2 business days after that dealing. The advice must detail the date, number and class of securities acquired or sold, whether the director's interest in the security is direct or indirect (and the nature of the indirect interest if relevant), the remaining securities held by the director, value/consideration and the nature of change (eg, on-market trade, off-market trade, exercise of options, etc).

The Company Secretary will lodge, or cause to be lodged, the necessary notification with the ASX.