

## ProMIS NEUROSCIENCES, INC.

### INSIDER TRADING POLICY AND PROCEDURES

This Policy regarding trading in the securities of ProMIS Neurosciences, Inc. (“*ProMIS*”) applies to:

- directors, officers and employees of *ProMIS* and all of its subsidiaries; and
- other *persons in a special relationship* with *ProMIS* or any of its subsidiaries.

*Defined terms appear in italics. Definitions appear in Schedule “A” attached. Other terms used in this document are defined by reference to the Securities Act (Ontario).*

#### 1. PURPOSE OF THE POLICY

The purpose of this Policy is to ensure that investment and trading activities of directors, officers and employees of *ProMIS* and its subsidiaries are consistent with their ethical, employment and fiduciary responsibilities to *ProMIS* and are in accordance with applicable law.

This Policy is designed to ensure that all directors, officers, employees or other *persons in a special relationship* with *ProMIS* or any of its subsidiaries are aware of the legal restrictions on the purchase or sale of *securities* of *ProMIS*. Failure to adhere to this Policy may expose *ProMIS* and its subsidiaries and their respective directors, officers and employees to:

- penalties and other sanctions under the securities laws of the various jurisdictions where our securities are traded;
- embarrassment caused by the investigation and publicity of a violation; and
- civil litigation.

#### 2. PROHIBITED ACTIVITIES

- Any director, officer, employee or other *person in a special relationship* with *ProMIS* must not purchase or sell *securities* of *ProMIS* for his or her own account or an account of another if he or she is aware of *Material Information* about *ProMIS* that has not been generally disclosed to the public.
- Any director, officer, employee or other *person in a special relationship* with *ProMIS* must not inform, other than as required in the necessary course of business, another person, including their spouses and any other relatives, about *Material Information* before it is generally disclosed to the public. *Material Information* can consist of one single piece of information or many pieces of information which when put together are material. An example of this type of information would be knowledge of the results of operations for the first two months of any quarter. The knowledge of any component part of the financial operations may not be material, but could be when looked at as a whole.

- *Insiders, Designated Personnel*, their spouses, and any other relatives residing in the same home as the *Insider* or *Designated Personnel* are prohibited from buying or selling<sup>1</sup> securities of *ProMIS* during periods (“*Black-Out Periods*”) in which an outsider may reasonably believe management and other employees have *Material Information* that has not been generally disclosed to the public.
- Specific time periods surrounding the preparation and release of financial results have been pre-determined to be periods during which an outsider might reasonably expect management to be aware of *Material Information* and hence *Insiders* and *Designated Personnel*, their spouses and any other relatives residing in the same home as the *Insider* or *Designated Personnel* are prohibited from buying or selling securities of *ProMIS* during the following *Black-Out Periods*:
  - except for the fourth quarter, from the 15th day of the last month of a fiscal quarter (i.e. June, September, December) to and including the second trading day after the public announcement by *ProMIS* of its financial results for the quarter; and
  - in the fourth quarter, from 15th day of the last month of a fiscal year (ie. March) to and including the second trading day after the public announcement by *ProMIS* of its annual financial results.
- In addition to pre-determined *Black-Out Periods*, management may notify *Insiders* and *Designated Personnel* from time to time, and irrespective of pre-determined Trading Windows (as defined in Section 3 below) that trading in *ProMIS* securities is being blacked-out. It is the responsibility of *Insiders* and *Designated Personnel* to communicate this prohibition to their spouses and any relatives residing in the same home as the *Insider* or *Designated Personnel*.
- Notification that trading has been blacked-out for a period of time is confidential information and must not be disclosed to any other person except as contemplated by this Policy.
- *Insiders* or other employees of *ProMIS* must not speculate. *Insiders* or other employees of *ProMIS* must not sell securities of *ProMIS* short or buy or sell a call or put option regarding securities of *ProMIS*.
- *Insiders* or other employees of *ProMIS* must not trade in securities of any other public company where the person becomes aware, through his or her association with *ProMIS*, of undisclosed *Material Information* concerning that other public company (e.g. as a result of business discussions or developments in that other public company or its subsidiaries).

### 3. PERMITTED TRADING

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<sup>1</sup> Also restricted is any advertisement, solicitation or negotiation with respect to the purchase and sale of securities.

- Subject to the prohibited activities set out in Section 2 above, *Insiders* and *Designated Personnel*, their spouses, and other relatives residing in the same home as the *Insider* or *Designated Personnel* are permitted to trade during the following periods (“*Trading Windows*”):
  - except for the fourth quarter in any fiscal year, from, and including, the third trading day after the public announcement by *ProMIS* of its financial results for the prior quarter, up to and including the 14th day of the last month in the next successive quarter; and
  - From the third trading day following the public announcement by *ProMIS* of its financial results for the third quarter in any fiscal year, up to and including the 14th day of the last month in the fiscal year.
- *Persons in a special relationship* with *ProMIS*, other than *Insiders* and *Designated Personnel*, are permitted to trade at any time, as long as they are not aware of *Material Information* that has not been generally disclosed to the public.

#### 4. REPORTING OBLIGATIONS OF INSIDERS

This part of the Policy only applies to *Insiders* of *ProMIS*, and not to non-insider employees or other *persons in a special relationship* with *ProMIS*.

##### (1) Initial Report

- Each *Insider* must file a report, within ten (10) days after becoming an *Insider*, listing his or her direct or indirect ownership of *securities* of *ProMIS* with the Canadian securities regulatory authorities, through SEDI (see below).

EXCEPTION: A person or company is not required to file a report on becoming an *Insider* of *ProMIS* where the person or company does not own or exercise control or direction over *securities* of *ProMIS*.

- You may notify the Chief Financial Officer of *ProMIS* if you wish to have the Initial Report submitted by the Company on your behalf. If this is the case, you must complete a SEDI Questionnaire for Insiders, a copy of which may be obtained from the Chief Financial Officer.

##### (2) After Trading

Each *Insider* must report to the Chief Financial Officer, within five (5) days of the trade, any change in their interest in the *securities* of *ProMIS* (i.e. purchases, sales and assignments). A written record shall be maintained by *ProMIS* of any information received concerning any trade reported and the comments, if any, given by such person.

- Each *Insider* is required to report all changes in their interest to the Canadian securities regulatory authorities in each province of Canada within ten (10) days of the trade through SEDI (see below). You may notify the Chief Financial Officer if you wish to

have the Report submitted by the Company on your behalf. If this is the case, you must complete a SEDI Questionnaire for Insiders, a copy of which may be obtained from the Chief Financial Officer.

NOTE: You must report all changes to the Chief Financial Officer, and not just the net result of changes, but details of each change in a series of changes, within five (5) days. *Insiders* must disclose ownership and the type of *securities* of *ProMIS* held (e.g. debt or equity, voting or non-voting, common or preferred), any grant or exercise of options must also be updated. Transfer of *securities* in the name of an agent, nominee or custodian by an *Insider* must also be reported.

(3) The System for Electronic Disclosure by Insiders (“SEDI”)

Insider reports are required to be filed through SEDI.

Prior to filing anything on SEDI, an individual must register as a SEDI user. In order to do this an Insider would go to the SEDI website, [www.sedi.ca](http://www.sedi.ca), and in the upper right hand corner click on the words “register as a sedi user” and answer all applicable questions. Once this has been completed you will be asked to submit and print. **DO NOT FORGET TO PRINT THE APPROPRIATE SCREEN.** Once submitted, you will be required to sign and fax the sheet to CDS at the fax number indicated on the print out. You will not be registered as a user until you sign the certification and return this by fax or mail to CDS.

Once an insider has registered as a SEDI user, they will be required to file an insider profile. **Please note that if you are already an insider with another reporting issuer and already have an insider profile filed, you will only be required to attach the new reporting issuer to your existing profile. It will require an amendment being done to your existing insider profile.** If you do not have an insider profile currently filed on the system, you will need to file one once you have registered as a user. When you are ready to file your insider profile you go into the login section of the website and follow the directions and answer the questions that are asked. Once completed you will submit and your profile will be filed. The system is available for filings 24 hours a day, 7 days a week. Please note that as the system is “hands on” once you submit anything, it is filed.

After you have an insider profile filed, you are ready to file your insider reports. Once again, you will need to login on the SEDI website, insert your password and security code, answer the questions and submit your report.

The above is just a small summary of SEDI. You can visit the website at [www.sedi.ca](http://www.sedi.ca) for further information.

## 5. SANCTIONS

- Every person or company that violates the provisions of applicable securities laws is subject to legal sanctions. For example, the *Securities Act* (Ontario), Rules and Regulations provide that:
  1. A company or *person in a special relationship*, who engages in any prohibited activity described in Section 2, is liable to a fine of up to three times any profit made or loss avoided or \$1 million Canadian, whichever is greater;
  2. Every company or *person in a special relationship* who purchases or sells *securities* with knowledge of a *Material Change* that has not been disclosed is liable to compensate the seller or purchaser of the *securities* for damages as a result of the trade;
  3. Every issuer, company or *person in a special relationship* with the issuer who informs another person of the *Material Change* that has not been disclosed, unless required to do so in the necessary course of business, is liable to compensate for damages any person or company that thereafter sells securities of the issuer to or purchases *securities* of the issuer from the person or company that received the information; and
  4. Every company or person who is an *Insider* who violates the trading or disclosure prohibitions must also account to the issuer for any benefit or advantage received by them as a result of their conduct.
- Any violation of this Policy will be dealt with severely by *ProMIS*, and may lead to termination of employment or services.

## 6. QUESTIONS RELATING TO POLICY

- Any person who has any questions or concerns regarding this Policy should call the Chief Financial Officer.

**Approved by the Board of Directors on December 2, 2005**

## SCHEDULE "A"

### DEFINED TERMS

*Defined terms appear in Italics. Other terms used in this document are defined by reference to the Securities Act (Ontario).*

As used in this Policy:

*"Affiliate or affiliated"*, means one company is an affiliate or affiliated with another company if one of them is controlled by the other or both companies are controlled by the same person.

*"Associate"*, where used to indicate a relationship with any person or company means:

- (a) any company of which such person or company beneficially owns, directly or indirectly, voting securities carrying more than ten percent (10%) of the voting rights attached to all voting securities of the company for the time being outstanding,
- (b) any partner of that person or company,
- (c) any trust or estate in which such person or company has a substantial beneficial interest or as to which such person or company serves as trustee or in a similar capacity.

*"Designated Personnel"* means any individual designated by management from time to time.

*"Employee(s)"*, means any person who provides services directly or indirectly to *ProMIS*. This includes consultants and other independent contractors.

*"Insider"*, means:

- every director or senior officer of *ProMIS*;
- every director or senior officer of a subsidiary of *ProMIS*; and
- any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over more than 10% of the voting rights attached to all outstanding voting securities of *ProMIS* and every director or senior officer of that person or company.

*"Material Change"*, means a change in the business, operations or capital of *ProMIS* that would reasonably be expected to have a significant effect on the market price or value of any of *ProMIS*'s securities and includes a decision to implement such a change made by the board of directors of *ProMIS* or by its senior management who believe that confirmation of the decision by such board is probable.

“*Material Fact*”, where used in relation to securities issued or proposed to be issued by *ProMIS*, means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities.

“*Material Information*”, means any information relating to the business and affairs of *ProMIS* that results in or would reasonably be expected to result in a significant change in the market price or value of any of *ProMIS*'s securities.

“*Officer*”, means the chair, any vice-chair of the board of directors, the chief executive officer, the president, any vice-president, the secretary, the assistant secretary, the treasurer, the assistant treasurer, and the general manager of *ProMIS*, and any other person designated as officer of *ProMIS* by by-law or similar authority, or any individual acting in a similar capacity on behalf of *ProMIS*.

“*Person*”, means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.

“*Persons in special relationship*”, means:

- (a) a person or company that is an insider, affiliate or associate of,
  - (i) *ProMIS*,
  - (ii) a person or company proposing to make a take-over, as defined in the *Securities Act* (Ontario), for the securities of *ProMIS*, or
  - (iii) a person or company that is proposing to become a party to a reorganization, amalgamation, merger or arrangement or similar business combination with *ProMIS* or proposing to acquire a substantial portion of *ProMIS*'s property;
- (b) a person or company that is engaging in or proposes to engage in any business or professional activity with or on behalf of *ProMIS* or with or on behalf of a person or company described in subclause (a)(ii) or (iii);
- (c) a person who is a director, officer or employee of *ProMIS*, or any of its subsidiaries, or of a person or company described in subclause (a)(ii) or (iii) or clause (b);
- (d) a person or company that learned of the *Material Fact* or *Material Change* with respect to *ProMIS* while the person or company was a person or company described in clause (a), (b) or (c);
- (e) a person or company that learns of a *Material Fact* or *Material Change* with respect to *ProMIS* from any other person or company described in this subsection, including a person or company described in this clause, and knows or ought

reasonably to have known that the other person or company is a person or company in such relationship.

“*Securities*”, includes any shares, stock options, bonds, debenture, notes or other evidence of indebtedness, and any document, instrument or writing commonly known as a security.

“*Senior officer*”, means:

- (a) the chair, a vice-chair of the board of directors, the chief executive officer, the president, a vice-president, the secretary, the treasurer, or the general manager of *ProMIS*, and any other individual who performs similar functions as identified by the legal department from time to time, and
- (b) each of the five highest paid employees of *ProMIS*, including any individual referred to in clause (a).

“*Speculate*”, means the purchase or sale of securities of *ProMIS* with the intention of reselling or buying it back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities.

“*Trade or trading*”, includes any sale or disposition of a security of *ProMIS* for valuable consideration, and any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of such activities.