



SHARE TRADING LEGAL REQUIREMENTS AND CORPORATE POLICY

A) LEGAL REQUIREMENTS

Ambrilia Biopharma Inc. (the "Corporation" or "Ambrilia") is a public company and, as such, the Corporation, its subsidiaries, and their directors, officers and other insiders have obligations concerning disclosure of material information and misuse of undisclosed material information. The following paragraphs describe the legal restrictions on trading in the securities of the Corporation and reporting requirements imposed upon certain persons as a result of their relationship with the Corporation.

I. Reporting and Restrictions

a) Insider Reporting

Statutory requirements provide that a person must file a report with the appropriate regulatory authorities on becoming an insider, and must report when a change occurs in his or her direct or indirect beneficial ownership of securities of the Corporation, including any transfer of any securities to an agent, nominee or custodian. For example, the purchase or sale of shares, warrants or other securities of the Corporation or the grant or exercise of stock options by an insider must be reported. Although it is the insider's own responsibility to file its reports with such regulatory authorities, upon request and notice of transaction, the Corporation will provide assistance to any insider in that respect.

b) Restrictions on Insider Trading

Subject to certain stated exceptions, insiders and persons associated or affiliated with them are restricted from making use, for their own advantage, of any specific confidential information which, if generally known, might reasonably be expected to materially affect the value of the securities. Persons so doing may be liable to compensate any other person for any direct loss suffered as a result of the transaction and may be subject to penalties under applicable securities legislation, and will also be accountable to the Corporation for any direct benefit or advantage received as a result of the transaction.

In addition, there is a prohibition on anyone in a relationship with the Corporation, including insiders, from trading in the securities of the Corporation with knowledge of a material fact or material change in the affairs of the Corporation or its subsidiaries which he or she knew or ought reasonably to have known had not been generally disclosed. Persons in a relationship with the Corporation are also prohibited from informing another person (other than in the course of business and provided they have no grounds to believe the information will be used or disclosed in violation of securities legislation) about a material fact or change before such fact or change has been generally disclosed. The scope of persons who would be considered to have a "relationship" with the Corporation is very wide and includes insiders, consultants, affiliates and associates. Again, persons who breach this provision are subject to penalties under securities legislation and possible civil liability.

II- Definition of Insider

a) Insiders required to report

While the definition of an insider differs among jurisdictions, the Corporation, on the advice of counsel, considers an insider, for reporting purposes, to be:

- i) the Corporation, its subsidiaries, and any directors thereof;

- ii) any “Senior Officer” of the Corporation and its subsidiaries, i.e. any Chairman, President, Chief Executive Officer, Chief Financial Officer, Executive Vice-President, Vice-President, Secretary, Treasurer, General Manager or Controller or similar functions; and
- iii) any person who owns or exercises control over more than 10% of a class of securities of the Corporation and the senior officers of any such person.

b) Insiders for trading purposes only

The definition of an insider is broader for purposes of trading restrictions and includes the persons set out in paragraph (a) above as well as spouses, children and any other relatives living at the same residence as an insider. It also includes persons, including employees, who learn of undisclosed material facts or material changes from an insider, sometimes referred to as “tippees”.

III- Reporting Procedure

When an insider described in II(a) above acquires, disposes of or otherwise makes a change in his or her ownership of securities of the Corporation, he or she must prepare and file a report in the prescribed form with securities regulators in Canada within ten days of the transaction date. This also applies to persons who own securities of the Corporation and who become insiders as described in II(a) above.

The Vice President, Legal Affairs, can provide advice as to how you may obtain and file the required report.

B) CORPORATE POLICY

In addition to complying with legal requirements, insiders as well as all employees must avoid transactions that are reasonably likely to be perceived as improper, even though they may technically comply with the law.

In order to assist in ensuring that there is no trading during periods in which sensitive financial information may be available, the Corporation has adopted trading restriction periods (“Trading Restriction Periods”) during which directors, officers and employees are prohibited from trading in Ambrilia’s securities. The Trading Restriction Periods are the following:

- Commencing three days before the release of the financial results for a fiscal quarter or the fiscal year end and ending when two full trading days have elapsed after disclosure of the quarterly or annual results.
- From the time material information is known until two full trading days have elapsed after disclosure of the development. Material information is defined as information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Corporation’s listed securities.
- At any time when the Corporation has declared a Trading Restriction Period for any other reason.

Each Trading Restriction Period will be announced by the Vice President, Legal Affairs & Corporate Secretary, to the directors, officers and employees of Ambrilia.

Ambrilia directors, officers and employees may also not trade in the stock or other securities of any other firm when they know insider information about that firm. The prohibition against insider trading includes Ambrilia securities and those of other companies. For example, the prohibition may include securities of Ambrilia’s past, present or future customers, suppliers, vendors, acquisition targets, or alliances.

Ambrilia directors, officers and employees must not pass insider information to others. Ambrilia employees must not recommend to anyone the purchase or sale of the Corporation’s securities

based on insider information. This prohibited practice is known as "tipping," and carries the same penalties as insider trading. These penalties can apply regardless of whether the employee who tips benefits from the resulting purchase or sale of the securities.

Ambrilia employees may also not engage in short-term speculative transactions involving trading in Ambrilia securities. This prohibits short sales, and buying or selling puts or calls in Ambrilia securities. Also, the purchase of Ambrilia securities on margin, other than in connection with exercising employee stock options, is prohibited. A "cashless" exercise of a stock option is not considered short-term speculative trading.

In addition to Directors and Officers, all employees of Ambrilia wishing to trade in securities of Ambrilia outside the relevant Trading Restriction Periods should first consult the Vice President, Legal Affairs & Corporate Secretary (or the Chief Financial Officer in his absence). The insider must notify the Vice President, Legal Affairs & Corporate Secretary (or the Chief Financial Officer in his absence) by delivering written notice at least one business day prior to trading 1,000 or more shares of Ambrilia stock, as to the total number of shares to be traded and providing contact information where the insider may be reached for consultation prior to execution of the trade. The notice may be delivered by e-mail, fax, courier or mail. The reason for this notice requirement is to permit the Vice President, Legal Affairs & Corporate Secretary, to enquire with the insider as to whether there might be insider information available or known to such insider at the time of the proposed transaction.

Even though they are legally permitted, Ambrilia does not encourage open orders (i.e. where an order to buy or to sell stock at a set price has been given to a broker) because of the risk that such an automatic trade be made at an inappropriate time which might cause it to be perceived as improper. Accordingly, all Directors, Officers and employees of Ambrilia wishing to make an open order should first consult the Vice President, Legal Affairs & Corporate Secretary (or the Chief Financial Officer in his absence).

Any Ambrilia employee found to have violated this Policy is subject to disciplinary action, up to and including termination of employment with the Company.

Philippe Calais
President & Chief Executive Officer

Richard La Rue
Vice-President, Legal Affairs & Corporate
Secretary.