

PSIVIDA CORP.

SECURITIES TRADING POLICY

1. Introduction and Purpose

This Securities Trading Policy (this “Policy”) summarizes the law relating to insider trading and sets out the policy of pSivida Corp. (together with its subsidiaries, the “Company” or “pSivida”) on directors, officers, employees of, and consultants and contractors to, the Company (collectively, “Associates”) dealing in the securities of pSivida.

If you do not understand any of the following summaries of law or this Policy, or how it applies to you, you should raise the matter with the Chief Compliance Officer (the “Compliance Officer”) before trading in any securities that may be affected by this Policy or the law.

This Policy is only a summary of complex legal provisions, and should therefore only be used as a general guide, not as legal advice.

2. The Insider Trading Prohibition

If you have “material nonpublic” information relating to pSivida, it is illegal for you to:

- buy or sell or offer to buy or sell, or otherwise deal in, pSivida securities, whether or not issued by the Company;
- advise, procure or encourage another person (for example, a family member, a friend, a family company or trust) to buy or sell pSivida securities; or
- pass on information to any other person, if you know or ought reasonably to know that the person may use the information to buy or sell (or procure another person to buy or sell) pSivida securities.

This Policy applies to transactions in the Company’s securities, including the Company’s common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, options and other derivative securities (including derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company’s securities).

It is the responsibility of each Associate to ensure that they do not do any of the things prohibited by this Policy or insider trading laws, whether or not specifically prohibited by this Policy. The consequences for breach of this law may be severe.

As an Associate, this Policy applies to you. The same restrictions that apply to you apply to your family members who reside with you, anyone else who lives in your household

and any family members who do not live in your household but whose transactions in Company securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in Company securities) (each a “Related Person” and collectively, “Related Persons”). You are responsible for making sure that the purchase or sale of any security covered by this Policy by any such Related Person complies with this Policy.

3. What is “Material” Information?

Material information means information relating to pSivida that would, if the information were publicly known:

- be likely to have an effect on the price or value of pSivida securities; or
- be information that a reasonable investor would want to know in deciding whether or not to buy or sell pSivida securities.

Examples of possible material information include, but are not limited to:

- the financial performance of pSivida;
- developments with respect to the clinical or regulatory development of our product candidates;
- entry into or termination of a material contract (such as a license agreement);
- a material acquisition or sale of assets by pSivida;
- an actual or proposed takeover or merger;
- an actual or proposed change to pSivida’s capital structure, including a stock split;
- a proposed dividend or a change in dividend policy;
- developments regarding significant litigation or government agency investigations;
- liquidity problems;
- any major change in management; or
- a material claim against pSivida or other unexpected liability.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on the Company’s operations or stock

price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. If you are unsure whether information is material, you should consult the Compliance Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates.

4. When is the Information “Nonpublic”?

Information is nonpublic if it has not been disclosed generally to the market or to the investing public. Unless such information was disseminated in a manner designed to reach investors generally and at least two full Trading Days elapsed between the time of the event or when the information became known and its public disclosure, it shall be deemed to be “Nonpublic.” Nonpublic information may include: (x) information available to a select group of analysts or brokers or institutional investors; (y) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; or (z) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two Trading Days).

For purposes of this Policy, “Trading Day” means a day on which the NASDAQ Stock Market, LLC is open for trading.

5. Restrictions on Dealings in the Company’s Securities

As a general policy, before engaging in transactions involving the securities of the Company, you must notify the Compliance Officer (or in his/her absence, the Chief Executive Officer) of the intended transaction. You must then provide subsequent confirmation that the trading has occurred.

The Company’s policy regarding trading in the Company’s securities by Associates is that you may not conduct any transactions involving the Company’s securities in the following circumstances:

- when you are in possession of material nonpublic information about the Company;
- during a “Blackout Period” beginning at the close of market on the date that is 5 Trading Days prior to the last day of each fiscal quarter and ending at the close of business on the second Trading Day following the date of the public release of the Company’s earnings results for that quarter;
- during an event-specified blackout in which certain Associates are prohibited from trading in the Company’s securities. If the Company imposes an event-

specific blackout, it will notify the Associates and provide additional information regarding the duration of such blackout period.

The Company also prohibits Associates from disclosing any material nonpublic information to other persons or entities (including Related Persons) that could purchase or sell pSivida securities.

The Company has also determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It is therefore the Company's policy that Associates may not engage in any of the following transactions:

- **Short-Term Trading:** Short-term trading of Company securities may be distracting to the person and may unduly focus the person on the Company's short-term share market performance instead of the Company's long-term business objectives.
- **Short Sales:** Short sales of Company securities (*i.e.*, the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of Company securities are prohibited. In addition, Section 16(c) of the Securities Exchange Act of 1934, as amended, prohibits executive officers and directors from engaging in short sales.
- **Publicly Traded Options:** Given the relatively short term of publicly traded options, transactions in options may create the appearance that an Associate is trading based on material nonpublic information and focus such director's, officer's, employee's or consultant's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy.
- **Hedging Transactions:** Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit an Associate to continue to own Company securities obtained through company benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the Associate may no longer have the same objectives as the Company's other shareholders. Therefore, Associates are prohibited from engaging in any such transactions.
- **Margin Accounts and Pledged Securities:** Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may

occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, Associates are prohibited from holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan.

- **Standing and Limit Orders:** Standing and limit orders (except standing and limit orders under approved 10b5-1 Trading Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when an Associate is in possession of material nonpublic information. The Company therefore discourages placing standing or limit orders on Company securities. If a person subject to this Policy determines that they must use a standing order or limit order, that person must contact the Vice President, Finance for clearance to place the order.

6. Consequences for Breach of the Insider Trading Prohibition

Breach of the insider trading prohibition by you or any Related Person could expose you or them to criminal and civil liability. Breach of insider trading laws or this Policy will also be regarded by pSivida as serious misconduct, which may lead to disciplinary action and/or dismissal.

- **Legal Penalties:** A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippers can be subject to the same penalties and sanctions as the tippees, and the Securities and Exchange Commission has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$1 million or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the Securities and Exchange Commission can seek penalties from a company and/or its management and supervisory personnel as control persons.

- **Company-Imposed Penalties:** Associates who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Vice President, Finance (or if the Vice President, Finance is seeking an exception, the Chief

Executive Officer) and must be provided before any activity contrary to the above requirements takes place.

7. Dealing in Securities of Other Companies

If you have material nonpublic information, about a company other than pSivida, the same insider trading rules outlined above apply to buying and selling securities of that company.

8. Exceptions for Approved 10b5-1 Trading Plans

Associates may establish written programs (“10b5-1 Trading Plans”) which permit automatic trading of pSivida securities: (i) through a third-party broker, or (ii) by an independent person (*e.g.*, an investment banker) who is not aware of any material nonpublic information at the time of a trade. Trades in the Company’s securities that are executed pursuant to an approved 10b5-1 Trading Plan are not subject to the prohibition on trading on the basis of material nonpublic information contained in this Policy or to the restrictions set forth above relating to pre-clearance procedures.

In general, an Associate may only enter into a 10b5-1 Trading Plan when such Associate is not aware of material nonpublic information. All 10b5-1 Trading Plans must be pre-approved by the Vice President, Finance (or, in the event the Vice President, Finance is seeking approval of a 10b5-1 Trading Plan, the Chief Executive Officer) and may not provide for the execution of any trades in pSivida securities for a period of at least one month after such approval. Once a 10b5-1 Trading Plan is implemented in accordance with this Section 8 and applicable securities laws, trades pursuant to such program will not be subject to the limitations and restrictions set forth in other sections of this Policy.

Trading pursuant to a 10b5-1 Trading Plan may occur even during a blackout period or when the person on whose behalf such trade is made is aware of nonpublic material information. Once the plan is adopted, you must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify (including by formula) the amount, pricing and timing of transactions in advance or delegate discretion on those matters to an independent third party.

9. Certification

All Associates must certify their understanding of, and intent to comply with, this Policy by signing and returning the Certification included in this Policy to the Vice President, Finance.

10. Contacts

If you have any questions arising from this Policy, you may contact the person listed below.

John D. Mercer Chief Compliance Officer

Tel: +1 617-972-6326

Email: jmercerc@psivida.com

Adopted: September 7, 2017.

ACKNOWLEDGEMENT AND CERTIFICATION

The undersigned does hereby acknowledge receipt of the Company's Securities Trading Policy. The undersigned has read and understands (or has had explained) such Policy and agrees to be governed by such Policy at all times in connection with the purchase and sale of securities and the confidentiality of nonpublic information.

(Signature)

(Please print name)

Date: _____