



PORTAGE BIOTECH INC.

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Toronto, ON M5R 2G3
Canada

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FH Corporate Services Ltd.,
of FH Chambers
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PORTAGE BIOTECH INC.

INSIDER TRADING POLICY

(EFFECTIVE : JANUARY 1, 2014)

A fundamental principle of securities legislation is that everyone investing in securities should have equal access to information that may affect their decision as to whether to buy, sell or hold securities. Directors, officers and employees of a corporation, and consultants and advisors, sometimes acquire knowledge of Material Information concerning the business and affairs of the corporation (or a related corporation) which has not yet been disclosed to the public. If that is the case, they have an unfair advantage in buying or selling securities because the seller or buyer on the other side of the transaction may have made a different investment decision had they been aware of that information.

“Material Information” is any information relating to the business and affairs of a corporation and its subsidiaries 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 securities or would reasonably be expected to affect the investment decisions of a reasonable investor. Examples include release of quarterly financial results, acquisitions, dispositions, mergers, developments in operations, changes in capital structure, dividend announcements and significant changes in earnings or cash flow prospects.

Similarly, if such a person informs another person of undisclosed Material Information, and such person buys or sells securities on the basis of that information, the seller or buyer on the other side of the transaction is, once again, at a disadvantage.

Insider reporting requirements help prevent improper activities involving stock options and similar equity based instruments including stock option backdating, option re-pricing and the opportunistic timing of option grants since timely disclosures and public scrutiny will limit the ability of issuers to engage in such practices.

Certain securities laws have been enacted so as to prevent and deter such inequitable trading in securities and to increase market efficiency by providing investors with information concerning the trading activities of certain insiders of an issuer by providing that:

1. persons receiving undisclosed Material Information are prohibited from buying or selling securities of a corporation while in possession of such Material Information and prior to dissemination of such information to the public;
2. directors, officers, key consultants and employees are prohibited from disclosing undisclosed Material Information relating to the corporation to third parties, other than when it is necessary to do so in the course of business of the corporation; and
3. Significant shareholders, directors, senior officers, key consultants and other reporting insiders must report their intention to change their ownership, control or direction over

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securities of the corporation and changes in their interest in, rights or obligations associated with related financial instruments involving a security of the corporation. Related financial instruments generally means an instrument, agreement, security or exchange contract the value, market price or payment obligations of which are derived from reference to or based on the market price or payment obligations of a security and any other instrument, agreement or understanding that affects directly or indirectly a person's economic interest in a security or exchange contract. As a result, most derivatives, to the extent they are not a "security", will generally be related financial instruments. Examples include forward contracts, futures, phantom stock units, deferred share units ("DSUs"), restricted share units ("RSUs"), performance share units ("PSUs"), stock appreciation rights ("SARs"), etc.

Portage Biotech Inc. ("Portage") has formulated this policy to assist directors, officers, employees, consultants and advisors of Portage and its affiliates and subsidiaries (collectively referred to as "Portage Plus") in complying with these laws. The purpose of this policy is to confirm in writing the existing policies and procedures and guidelines relating to trading by directors, officers, employees, consultants and advisors ("insiders") in securities of Portage. This policy, however, in no way reduces the obligations imposed by law on those insiders. Compliance with insider trading and disclosure requirements remains the personal responsibility of such persons.

1. APPLICATION OF THE POLICY

This policy applies to all insiders of Portage Plus, as well as to securities or related financial instruments over which such insider exercises control or direction (such as in relation to a trust or in relation to minor children or spouse) and securities which are indirectly owned (such as through a wholly-owned corporation). Insiders are responsible for ensuring compliance by their families and other members of their households with the terms of this policy.

This policy applies to any transactions in all Portage's securities, including, but not limited to: common shares, stock options and warrants. This policy also applies to all other derivative securities or related financial instruments that are not issued by Portage but are based on the value of Portage's securities - for example, derivative transactions, equity swaps, hedging transactions, equity monetization transactions, futures contracts and debt instruments for which all or part of the amount payable is determined by reference to the price, value or level of Portage's securities (for example, a linked note).

In addition, this policy applies to Material Information relating to another company that insiders of Portage Plus may learn in the course of a proposed or pending transaction.

2. TRADING RESTRICTIONS AND BLACKOUT PERIODS

During a non-blackout period and except as follows, Insiders of Portage Plus may not trade without at least two of the three signatures of the CEO, CFO and Chairman, who are not trading. Insiders other than managers, may trade in Portage's securities and related financial instruments, either directly or indirectly, or may exercise direction or control over the trading of its securities and related financial instruments, except as follows:

- a. Trading by insiders is prohibited when they are in possession of Material Information which is being kept confidential and which has not been made public. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information (referred to as "tipping"). Insiders of Portage Plus, with knowledge of confidential or Material Information about Portage Plus are prohibited from tipping or trading until the information has been fully disclosed. Persons who are not sure whether they should be trading in securities at any particular time should contact the Chief Executive Officer

("CEO") or Chief Financial Officer ("CFO"), or in the absence of either, Chairman of the board ("Chairman"), collectively (the "Designated Officers").

To protect the reputation of Portage and avoid the appearance of impropriety, directors, officers and other reporting insiders are required to obtain written consent prior to making proposed trades in Portage's securities and related financial instruments with the CEO or one of the Designated Officers to determine if there is undisclosed Material Information about Portage Plus that is to be announced. The only exception to this pre-clearance procedure is for the exercise of a stock option, (i.e. buy and hold) but only if no shares of stock are sold in the open market in connection with the exercise.

- b. Under this policy, trading by directors, officers and other reporting insiders should not take place until after the first full business day following a broadly disseminated news release of any Material Information.
- c. No trading should take place by insiders of Portage Plus who have access to undisclosed financial information during periods when financial statements are being prepared but results have not yet been publicly disclosed. With respect to proposed public announcements for quarterly and annual financial results, the blackout period commences ten calendar days following the end of the fiscal quarter or year, and ends after the first full business day following the issuance of a news release disclosing the financial results. Insiders should confirm the timing for issuance of financial results prior to engaging in a transaction involving securities of Portage.
- d. Blackout periods may be prescribed from time to time as a result of special circumstances relating to Portage Plus pursuant to which insiders of Portage Plus may be precluded from trading in securities of Portage.
- e. Regulatory Bodies impose restrictions on the ability of insiders of Portage Plus to purchase or sell securities of Portage during certain restricted periods including those during which Portage Plus is involved in an offering of its securities by way of a prospectus or a private placement. The Rule provides for a number of exemptions from the trading restrictions. Portage will institute a blackout for such periods during which Portage is in the course of distributing its securities. To the extent that you wish to rely on an exemption available to you pursuant to the securities laws you must first seek the prior approval of any one of the Designated Officers on your intended reliance on such exemption.
- f. SEC Rule 10b5-1 provides a defense from insider trading liability if trades occur pursuant to a pre-arranged "trading plan" that meets certain specified conditions. Under this rule, if you enter into a binding contract or written plan that specifies the amount, price and date on which securities are to be purchased or sold, and these arrangements are established at a time when you do not possess material nonpublic information, then you may claim a defense to insider trading liability if the transactions under the trading plan occur at a time when you have subsequently learned material nonpublic information. Any person subject to the pre-clearance requirements of this Policy who wishes to implement a trading plan under SEC Rule 10b5-1 must first pre-clear the proposed trading as set forth above. Transactions that comply with a pre-cleared trading plan will not require further pre-clearance at the time of the transaction. Notwithstanding any pre-clearance of a Rule 10b5-1 trading plan, the Company, its officers and directors assume no liability for the consequences of any transaction made pursuant to such plan. A specimen of Rule 10b5-1 is included in Attachment A to this Policy and should be followed by anyone who desires to use such a Plan. The Plan will be for a period of one year and if approved, it can be changed quarterly.

All insiders are encouraged to adopt their trading plan under Rule 10b5-1 and have it approved as required.

- g. If you are uncertain as to your status as a “Reporting Insider” of Portage, you should enquire of one of the Designated Officers as to the existence of any trading restrictions before entering into a transaction.

3. PROHIBITION ON SHORT SELLING, CERTAIN OPTIONS TRANSACTIONS AND EXECUTIVE HEDGING

Subject to certain limited exceptions, the Canada Business Corporations Act (“CBCA”) prohibits a director, officer, or person employed or retained by Superior, from knowingly entering into a sale of Superior’s securities, directly or indirectly, where such person does not own or has not fully paid for the securities being sold or from knowingly selling a call or buying a put in respect of securities of Superior.

A director or officer or other reporting insider must not, at any time, purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly by the director, officer or other reporting insider. For greater certainty, financial instruments that are designed to hedge or offset a general decrease in equity markets (i.e. a hedge against a decrease in a broad market index such as the TSX S&P 60) rather than a specific decrease in market value of any of Superior’s securities would not be prohibited under this provision.

4. INSIDER REPORTING REQUIREMENTS

Canadian insider reporting requirements are set out in National Instrument 55-104 *Insider Reporting Requirements and Exemptions* and its related companion policy. The following is a brief overview of insider reporting obligations:

WHO IS A REPORTING INSIDER?

You are deemed to be a “Reporting Insider” of Portage if (a) you are a director or the CEO , CFO or CSO of Portage or one of Portage’s major subsidiaries (defined as entities that represent 30% or more of the consolidated assets or revenue of Portage based on a look back at the most recent annual or interim financial statements), or (b) you are a person responsible for a principal business unit, division or function of Portage, or (c) you are a shareholder that controls 10% or more of the securities of Portage(calculated on a post-conversion beneficial ownership basis), or (d) regardless of your title and position with Portage, you (i) in the ordinary course of business receive or have access to information as to material facts or material changes concerning Portage before the material facts or material changes are generally disclosed; **and** (ii) directly or indirectly exercise, or have the ability to exercise, significant power or influence over the business, operations, capital or development of Portage.

The definition of the term “Reporting Insider” in securities legislation is very technical and you are encouraged to contact any one of the Designated Officers if you are unsure whether you are deemed to be a Reporting Insider of Portage.

FILING OF INSIDER REPORTS

A Reporting Insider of Portage is required to file an initial insider report within ten days of becoming a Reporting Insider (unless the Reporting Insider does not have any beneficial ownership of, control or direction over, whether direct or indirect, in securities of Portage) and subsequent insider reports within five days following any trade in securities or related financial instruments of Portage.

PREPARATION AND FILING OF INSIDER REPORTS

Insider trading reports are required to be filed electronically on the "System for Electronic Disclosure by Insiders" or "SEDI". SEDI is an Internet-based system for reporting insider trading information and can be located at www.sedi.ca. Insider reports (excluding certain personal information) that are filed on SEDI are accessible to the public via the Internet.

To assist insiders with their reporting obligations, Portage Plus will prepare and file insider trading reports on behalf of insiders. In order for Portage to prepare an insider's initial insider report, insiders are asked to provide the number of securities of Portage held by them on the date they became an insider of Portage and any subsequent trades made in such securities by e-mailing or telephoning Kam Shah, CFO of Portage at ks@potagebiotech.com or (416) 929-1806 with the required information.

5. INSIDER LIABILITY

The Ontario Securities Commissions levy fees for late filing of insider reports. In Ontario the late payment fee is \$50 per day, subject to a maximum of \$1,000 per insider, per issuer, per financial year it is the insider's obligation to pay any late payment fees.

Violations of insider trading and tipping prohibitions can result in severe consequences under securities and corporate laws, which in Canada can include fines (to a maximum fine equal to the greater of three times the profit made or loss avoided and \$5,000,000), injunctions against future violations, civil liability and a jail term of up to five years, in addition to general embarrassment and damage to his or her reputation. Further, the reputation of Portage Plus may be damaged, and it may be exposed to liability. A breach of this policy is considered a breach of the employment/consulting/advisory contract with Portage Plus and as such violators may be immediately dismissed for cause.

6. FURTHER INFORMATION

Any questions concerning insider trading matters should be directed to any one of the Disclosure Policy Officers.

This policy was approved by the Board of Directors of Portage on _____



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ATTACHMENT A

January 1, 2014

RULE 10B5-1 SALES PLAN - PER ANNEX A

Insider name: _____

Max. No. of Shares to sell under the Plan: _____

Period covered by the Plan: _____ to _____

I _____ as of the date below, establish this Sales Plan (the "Plan") in order to sell shares of the common stock (the "shares") of Portage Biotech Inc. (the "Issuer") pursuant to the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

I undertake to execute the Plan as follows:

1. Sales undertaking

Starting on January 1, 2014 and ending on December 31, 2014, I shall sell shares and /or exercise options to purchase shares of Portage Biotech Inc. pursuant to Annex A; provided, however, that

- a. I will exercise no stock option unless they are fully vested, and its exercise price is less than the market price of the underlying shares; and,
- b. I will first exercise those options with earliest expiration date and then lowest exercise price.

2. Stock Splits

In the event of a stock split or reverse stock split of Shares, the quantity and price at which the Shares are to be sold will be automatically adjusted proportionately.

3. Reincorporation/Reorganization

Unless the Plan is terminated, pursuant to Section 8d(ii) of the Plan, in the event of a reincorporation or other corporate reorganization or reclassification resulting in an automatic share-for-share exchange of new shares for the Shares subject to the Plan, new shares will automatically replace the Shares originally specified in the Plan.

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4. Account Credit

In the event any scheduled sale of Shares or exercise of stock options and sale of the underlying Shares is not executed as provided in Section 1 (or Section 7, if applicable) of the Plan, my account will be credited as if such sale or exercise had taken place as scheduled or provided in Section 7 - the unsold number of shares will be carried forward to be sold with the next amount of shares to be sold.

5. Compliance with Rule 144 and Rule 145

- a. The parties understand and agree that if I am an affiliate or control person for purposes of Rule 144 under the **Securities Act** of 1933, as amended (the "Securities Act"), or if the Shares subject to the Plan are restricted securities subject to limitations under Rule 144 or eligible for resale under Rule 145, then all sales of Shares under the Plan will be made in accordance with the applicable provisions of Rule 144.
- b. If appropriate, I understand and agree that, upon my prompt signature and delivery to of a Form 144, my broker will either (a) make one Form 144 filing at the beginning of each three-month period commencing with the date of the first sale made in connection with the Plan or (b) file a Form 144 for each sale made in connection with the Plan. Each such Form 144 shall state the following: "This proposed sale is made pursuant to a plan intended to comply with Rule 10b5-1(c), previously entered into _____, and the representation below regarding the seller's knowledge of material information speaks as of that plan adoption date."
- c. I will conduct sales pursuant to Rule 144 or Rule 145 if appropriate, including applying Rule 144 volume limitations as if the sales under the Plan were the only sales subject to the volume limitations (unless another number of shares sold should be used for purposes of calculating the volume limitations).
- d. I agree not to take any action or to cause any other person or entity to take any action that would require me to aggregate sales of Shares pursuant to Rule 144 and not to take any action that would cause the sales of Shares under the Plan not to comply with Rule 144 or Rule 145.

6. Representations, Warranties and Covenants

In consideration to sell securities under this Plan, I make the following representations, warranties and covenants:

- a. I understand that, in order to claim the benefits of Rule 10b5-1 I must not, on the date of this Plan, be aware of any material nonpublic information about the Shares or the Issuer.

- b. I have consulted with legal counsel and other advisors in connection with my decision to enter into the Plan. I have not received or relied on any representations by my broker regarding the Plan's compliance with Rule 10b5-1.
- c. I own all Shares that are subject to the Plan free and clear of liens or encumbrances of any kind.
- d. While the Plan is in effect, except as provided in (i) the Plan and (ii) my elections with respect to purchases of Shares and Share units through bonus and regular consulting fee stock purchase and similar plans, I will notify my broker in advance of any sales or purchases of, or derivative transactions on, any of the Issuer's securities.
- e. While the Plan is in effect, I will not disclose to any employee of my broker any material nonpublic information concerning the Shares or the Issuer.
- f. While the Plan is in effect, I will not attempt to exercise any influence over how, when or whether to effect sales of Shares.
- g. I understand that I am responsible for making or causing to make all filings required under Sections 13(d) and 16 of the Exchange Act, and Rule 144 under the Securities Act. For avoidance of doubt, my broker shall file each required Form 144 that may be required as a result of the sales under the Plan, pursuant to Section 6 of the Plan.
- h. Delivery requirements
 - (i) With respect to securities other than stock options, prior to the date of execution of any sales specified under the Plan, I agree to have delivered into the custody of my broker certificates representing that number of Shares that may be sold pursuant to the Plan (or other appropriate evidence thereof), together with all transfer documents and other authorizations required for my broker to effect settlement of sales of such Shares on my behalf.
 - (ii) I agree that my broker's obligation to execute sales under the Plan is conditioned on the satisfaction of the foregoing delivery requirements.
- i. I agree to inform **my broker** as soon as possible of:
 - (i) any subsequent restrictions that are, to my knowledge, imposed on me due to changes in the securities (or other) laws or of any contractual restrictions imposed on the Issuer that would prevent my broker or me from complying with the Plan; and,
 - (ii) the occurrence, to my knowledge, of any event as set forth in the Plan that would cause the Plan to be suspended or terminated under Section 7 or Section 8 of the Plan, respectively.

7. Suspension

Sales pursuant to Section 1 above shall be suspended where:

- a. trading of the Shares on the OTCBB or CSE is suspended for any reason;
- b. there is insufficient demand for any or all of the Shares at or above the specified price (e.g., the specified price is met but all Shares could not be sold at or above the specified price);
- c. My broker or the Issuer, in either of their sole discretion, determines that there is a legal, regulatory or contractual reason why it cannot affect a sale of Shares;
- d. I am notified in writing by the Issuer that a sale of Shares should not be effected due to legal, regulatory or contractual restrictions applicable to the Issuer or to me (including without limitation, Regulation M);
- e. I am notified in writing by the Issuer that:
 - (i) in the case of Shares being sold pursuant to a registration statement filed under the Securities Act, the registration statement has terminated, been suspended, expired or is otherwise unavailable; or,
 - (ii) a public announcement of a public offering of securities by the Issuer has been made.

As promptly as practicable after (i) (in the case of the occurrence of an Event described in Sections 7(d) or 7(e) above) I receive notice in writing from the Issuer that I may resume sales in accordance with of the Plan, or (ii) (in the case of the occurrence of an Event described in Sections 7(a), or 7(e) above) I determine, in my sole discretion, that I may resume sales in accordance with the Plan, I will resume sales in accordance with the Plan. Shares allocated under the Plan for sale during the period that sales under the Plan were suspended will be carried forward to be sold with the next amount of shares to be sold in accordance with Section 1 of the Plan.

8. Termination

The Plan shall terminate on the earliest to occur of:

- a. December 31, 2014;
- b. the completion of all sales contemplated in Section I of the Plan;
- c. my reasonable determination that:
 - (i) the Plan does not comply with Rule 10b5-1 or other applicable securities laws;
 - (ii) I have not complied with the Plan, Rule 10b5-1 or other applicable securities laws; or,

(iii) I have made misstatements in my representations or warranties in Section 6, above.

d. receipt of written notice from the Issuer or me of, or public announcement by the Issuer of:

(i) the filing of a bankruptcy petition by the Issuer;

(ii) the public announcement of a merger, recapitalization, acquisition, tender or exchange offer, or other business combination or reorganization resulting in the exchange or conversion of the Shares of the Issuer into shares of a company other than the Issuer; or,

(iii) the conversion of the Shares into rights to receive fixed amounts of cash or into debt securities and/or preferred stock (whether in whole or in part).

e. my death;

f. written notice of termination from me;

g. receipt by my broker of written notice that I have filed a petition for bankruptcy or the adjustment of my debts, or a petition for bankruptcy has been filed against me and has not been dismissed within 30 calendar days of its filing;

h. as to sales relating to option exercises, receipt of written notice from the Issuer that the options specified have expired or been terminated or forfeited;

i. my severance or retirement from the Issuer.

9. Governing Law

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

Acknowledged and Agreed this ___ day of ____ 2014

On behalf of Portage Biotech Inc.

Name: Plan Participant

Director

Director

Annex A

10b5-1 Schedule - (Name)

Start Date :		
To be sold on or before :		
Month	Shares	Sale Price
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		