

INSIDER TRADING POLICY

DIVERSINET CORP.

INTRODUCTION

The purpose of this policy is:

- (i) to explain the rules of applicable securities legislation in the United States and Canada with respect to trading on material non-public information and conveying such information to Diversinet Corp. and others; and
- (ii) to set forth guidelines as to confidentiality and when trading in securities of Diversinet Corp. and other public companies with which it may have dealings, will be prohibited.

DEFINITIONS

1. “Material non-public information” is non-public information, the disclosure of which a reasonable investor would at the time view as significant. Such information generally will include significant changes in the finances, business, operations or prospects of the reporting issuer. Material non-public information would include material non-public information of a subsidiary of Diversinet Corp. if such information would also be material to Diversinet Corp.
2. Persons who have a “Special Relationship” with Diversinet Corp. are defined as follows:
 - (i) directors, officers and employees of Diversinet Corp.;
 - (ii) directors and senior officers of subsidiaries of Diversinet Corp.;
 - (iii) persons holding stock carrying 10% or more of the aggregate voting rights of all voting securities of Diversinet Corp. (together with the directors and senior officers of such persons in the case of a company);
 - (iv) persons which control, are controlled by, or are under common control with Diversinet Corp.;
 - (v) persons proposing to make a take over bid for the securities of Diversinet Corp. or proposing to become a party to a reorganization or other business combination with Diversinet Corp.

RESPONSIBILITY

All individuals who are considered to have a “special relationship” as defined above must ensure that they fully understand and comply with the terms of this policy.

POLICY

It is the policy of Diversinet Corp. that:

ARTICLE 1 OFFENCES

- 1.1 Under current legislation, it is an offence for any person in a “special relationship” with a reporting issuer (which are generally corporations, the securities of which are publicly traded and include Diversinet Corp.), to purchase or sell securities of the reporting issuer with knowledge of material non-public information with respect to the reporting issuer.

- 1.2 It is also an offence under current legislation for any person in a special relationship with a reporting issuer to inform another person or company (sometimes referred to as “tipping”), of material non-public information with respect to that reporting issuer other than in the necessary course of business.
- 1.3 A person and even the reporting issuer may also be subject to a civil or criminal lawsuit for the conduct referred to in Clauses 1.1 and 1.2 above.

**ARTICLE 2.
MERGERS AND TAKE-OVERS**

- 2.1 As Diversinet Corp. may be involved from time to time in take-oversee of, or merger transactions with, other reporting issuers, prohibitions against insider trading and tipping are also applicable with respect to trading in securities of, or passing on information relating to, any company with respect to which Diversinet Corp. is itself a take-over bidder or merger partner.

**ARTICLE 3.
SPECIFIC RULES**

- 3.1 In light of the restrictions on insider trading set forth above and the severe penalties that may be imposed on any director, officer or employee, or in some cases Diversinet Corp. itself, in connection with the breach of any such restrictions, the following rules will henceforth apply to all directors, officers and employees of Diversinet Corp. and its subsidiaries:

(a) ***Non Disclosure***

No individual shall disclose to any other party, either inside or outside the Diversinet Corp. organization, other than in the necessary course of business, any material non-public information of which he/she is aware regarding Diversinet Corp. or any other company with respect to which Diversinet Corp. is a potential take over bidder or merger partner or any other company in which Diversinet Corp., or the individual is otherwise in a special relationship until such material non-public information has been publicly disclosed by Diversinet Corp. or any of its subsidiaries.

(b) ***No Trading***

No individual with knowledge of material non-public information with respect to Diversinet Corp., or any company with respect to which, to the knowledge of such individual, Diversinet Corp., or any of its subsidiaries, is a potential take-over bidder or merger partner or any other company in which Diversinet Corp., or the individual is otherwise in a special relationship, shall trade in any securities of Diversinet Corp., or such target company or merger partner, as the case may be, until such material non-public information has been publicly disclosed.

- 3.2 For the purposes of Clauses 3.1(a) and (b) above, information shall be deemed to have been publicly disclosed after one full trading day has elapsed from the time that a press release or other document generally available to wire services and the news media) containing the information is issued.

**ARTICLE 4.
DISCLOSURE**

- 4.1 The President and C.E.O., with the guidance of the Board of Directors when appropriate, shall be primarily responsible for determining whether a matter requires disclosure. If in doubt, all persons are required to raise any issue with the President and C.E.O.

- (a) Material information regarding Diversinet Corp. must be disclosed to the public immediately. Public disclosure must include any information, which, if omitted, would render the resulting disclosure misleading.
- (b) Full disclosure of all material information applies equally to unfavourable information as it does to favourable information. Information considered to be unfavourable to Diversinet Corp. must be disclosed as promptly and as fully as favourable information.
- (c) Selective disclosure is not permissible. Previously undisclosed material information must be fully disclosed to the public.
- (d) If prior disclosure becomes misleading due to a change in circumstances or any other intervening event, there must be subsequent disclosure designed to update the public.
- (e) Any material information to be announced in any meetings with shareholders, analysts or to the media must be timed to coincide with a general public announcement made by way of a press release.
- (f) In certain circumstances, prior notice of the disclosure of material information must be provided to Market Surveillance. If the disclosure is made outside of market hours, Market Surveillance must, in any event, be notified prior to the market opening.
- (g) In the event that previously undisclosed material information has been disclosed to any party, such information must be fully disclosed immediately.
- (h) The President and C.E.O. is the sole individual responsible for preparing and distributing, subject to the President's approval, any necessary written disclosure to the public. This includes disclosure to analysts, shareholders, investors and news media. All other employees are strictly forbidden from communicating any information about Diversinet Corp. to the public.
- (i) All contact with analysts should be treated with caution. Any meeting with an analyst must be approved in advance by the President and C.E.O. and must have more than one member of Diversinet Corp. management in attendance. Any attempt to influence the report of an analyst is strictly forbidden. Except in the case of correcting any factual errors, all enquiries made by analysts, or any other member of the public should be answered by "no comment".
- (j) The President and C.E.O. shall be the only company spokesperson and he or she shall be briefed and debriefed in conjunction with any public announcement. This individual should be prepared to respond neutrally to any questions relating to confidential information. A record shall be kept by Diversinet Corp. of all public statements. After the statements are made the debriefing shall include a review of what was actually disclosed. If the debriefing uncovers selective disclosure, Diversinet Corp. shall immediately disclose the information publicly in accordance with this policy.
- (k) Notwithstanding the previous paragraph the President and the Board of Directors may, in special circumstances, request a particular individual other than the President and C.E.O. to deal with defined issues.
- (l) The President and C.E.O, or his designate shall be responsible for maintaining and updating a current file of all public information on Diversinet Corp.

**ARTICLE 5
FINANCIAL RESULTS**

- 5.1 Trading in securities of Diversinet Corp. by directors and officers of Diversinet Corp. and its affiliates, is subject to a “blackout period” and is prohibited for the period commencing 14 days prior to any meeting of the Board of Directors at which Diversinet Corp. quarterly or annual financial results are to be approved and ending after the completion of one full trading day following the issue of the press release (or other document generally available to wire services and the news media of such results).

ARTICLE 6
RULES RELATING TO CONFIDENTIALITY

- 6.1 From time to time Diversinet Corp. and its subsidiaries and affiliates may be involved in projects (“Special Projects”) involving material changes relating to Diversinet Corp. or another reporting issuer, such as take-over bids and other forms of mergers and acquisitions, reorganizations and sales or acquisitions of assets. It is crucial that the strict confidentiality of information relating to Special Projects is maintained.
- 6.2 The general rule with respect to communication within Diversinet Corp. of information relating to Special Projects or other material non-public information is that such communication should be permitted only when the recipient of the information has a legitimate need to know such information in connection with the recipient’s duties. No one in possession of any such information should inform any outside party of the information (other than specific lawyers and financial advisors who have been retained in connection with the Special Project) without the approval of the President and C.E.O.
- 6.3 Unnecessary copying of confidential documents should be avoided and documents containing confidential information should not be displayed in elevators or left in conference rooms or in other locations where they may be seen by persons visiting Diversinet Corp. or its subsidiaries. Extra copies of confidential documents should be shredded. Confidential documents should be kept in a secure location under lock and key. Access to confidential documents on Diversinet Corp. computer network should be restricted.
- 6.4 To the fullest extent practicable, Special Projects should be given code names and documents prepared in connection with such files should employ those code names rather than names which would themselves reveal confidential information.
- 6.5 Transmission of documents by telecopier or directly from one computer to another which would reveal confidential information should be made only when it is believed that the transmission can be made, and the transmission will be received, under secure conditions. Material information should not be transmitted via the Internet, email or any similar computer based mode of communication.
- 6.6 Confidential matters must not be discussed in any public area where the discussion can be overheard by others.
- 6.7 Do not read confidential documents in public places or discard them where they can be retrieved by others.
- 6.8 Cover confidential documents on your desk before you leave your office and do not leave confidential documents where visitors can see them.
- 6.9 Do not disclose the whereabouts of Diversinet Corp. personnel involved in Special Projects who are away from the office or the presence in the office of specific visitors, except when authorized. The fact of a meeting or the destination of a trip may in itself disclose confidential information.

- 6.10 At any meeting with other parties where material information will be imparted, such other parties must be made to sign a form indicating that the information imparted at the meeting shall be kept confidential except in the ordinary course of business and the third party shall not trade on any information.
- 6.11 There shall be an annual or other periodic review of this policy.

**ARTICLE 7
TRADING POLICY**

- 7.1 This policy refers to all those in possession of undisclosed material information. Any contractor, director, officer or employee in possession of such information is, for the purposes of trading in securities of Diversinet Corp. its affiliates, subsidiaries or any party involved in a take-over bid or merger with Diversinet Corp., considered to be a restricted person.
- 7.2 Restricted persons may not trade in securities while in possession of undisclosed material information.
- 7.3 From time to time the management of Diversinet Corp. may declare “blackout periods” where no restricted person may trade in the securities of Diversinet Corp., its affiliates or subsidiaries. “Blackout Periods” may coincide with known events (such as the publication of regular financial results. See also Article 5). However, a “blackout period” may also be announced subject to an unscheduled event. Such a “blackout” will occur under those situations where the further development of material information is pending. “Blackout periods” will continue to be in force from their announcement until further notice from Diversinet Corp. management.
- 7.4 All insiders of Diversinet Corp. are expected to promptly comply with all reporting and filing requirements concerning their own transactions in Diversinet Corp. stock.

**ARTICLE 8.
ENFORCEMENT**

- 8.1 This policy recognizes that any breaches may result in the violation of securities law and could subject Diversinet Corp. to criminal and/or civil sanctions. Furthermore, this policy also recognizes that it is in the best interest of Diversinet Corp. to maintain a reputation for integrity in the financial community. Subject to this policy, any violations will be treated as follows:
- (a) a violator’s employment will be suspended immediately pending review by the Board of Directors. Suspension may lead to subsequent termination effective retroactively to the date of the breach;
 - (b) a violator will be reported to the appropriate regulatory authorities;
 - (c) a violator will be reported to the disciplinary board of any professional association to which the violator may maintain a membership.
- 8.2 Any questions regarding the application of this policy should be directed to the Diversinet Corp. Chief Financial Officer.