



## INSIDER TRADING POLICY FOR ALL PERSONNEL

TO: ALL PERSONNEL

### A. INSIDER TRADING POLICY

#### 1. Insider Trading Laws

Patheon Inc. ("Patheon") is a public company. As an employee of Patheon or of one of its subsidiaries, you must comply with all laws and regulations concerning insider trading.

#### 2. Insider Trading Policy

Patheon has also adopted rules (set out in this policy) to ensure compliance with insider trading laws and regulations. The penalties for violation of insider trading laws can be severe for both the employee and Patheon. Patheon has an additional policy applicable to trading of Patheon Securities by Directors and Senior Officers.

#### 3. Employee Responsibility

As discussed below, Patheon will endeavor to provide guidance to employees upon request. However, every employee must take personal responsibility for compliance and exercise discretion in his/her own trading and in any discussions with outsiders concerning Patheon business.

#### 4. Definition of Company Securities

For purposes of this policy, the term "Company Securities" refers to Patheon shares, options and warrants, any publicly traded bonds of Patheon or its subsidiaries, and any other debt or equity securities of Patheon or its subsidiaries.

**B. PROHIBITION AGAINST TRADING ON UNDISCLOSED MATERIAL INFORMATION**

1. If you are aware of material information relating to Patheon which has not yet been announced or otherwise made available to the public, you are prohibited from trading, directly or indirectly, in Company Securities for at least one full business day following the day on which the information is announced or publicly disclosed. You are also prohibited from disclosing any such material undisclosed information to any other person (except for Patheon personnel and professional advisors to Patheon in the usual course of your employment).
2. It is difficult to describe definitively what constitutes "material" information, but you should assume that any information, positive or negative, which might be of some significance to an investor in determining whether to purchase, sell or hold Company Securities would be material.
3. Examples include a potential site acquisition or disposition, internal financial information, the acquisition or loss of a major client, a major product development, material developments with respect to actual or potential litigation, or an important financial transaction or personnel change. We emphasize that this list is merely illustrative.

**C. PROHIBITION AGAINST TRADING DURING QUARTERLY BLACKOUTS**

1. Without in any way limiting the general prohibition described above, and even if you do not possess material undisclosed information, you may not trade, directly or indirectly, in Company Securities during the following periods in each year:

January 31	-	until after the close of business on the first business day following public release of 1 <sup>st</sup> quarter results.
April 30	-	until after the close of business on the first business day following public release of 2 <sup>nd</sup> quarter results.
July 31	-	until after the close of business on the first business day following public release of 3 <sup>rd</sup> quarter results.
October 31	-	until after the close of business on the first business day following public release of annual results.

2. For example, if the results are announced on a Thursday, then trading is prohibited on that Thursday and the next day (if it is not a statutory holiday) and can resume on the following Monday (if it is not a statutory holiday). For greater certainty, if both the Friday and Monday are statutory holidays, trading can resume on the following Wednesday.

**D. SHORT-TERM TRADING AND SHORT SELLING**

1. We encourage employees to acquire and hold securities issued by Patheon, and we strongly discourage employees from actively trading in these securities based on short-term fluctuations in the price of these securities or other market conditions. As a general matter, you should acquire Company Securities only if your intention at the time of acquisition is to hold the securities for a period of at least six months.
2. Employees are prohibited from short selling Company Securities.

**E. ADVICE**

If you have any doubt as to your responsibility under these guidelines, obtain clarification and guidelines before you act. Do not try to resolve uncertainties on your own. All questions concerning employee trading in securities of Patheon should be directed to the General Counsel – North America & Corporate Secretary (telephone 905-821-4001).

**F. CONSEQUENCE OF NON-COMPLIANCE**

We will expect the strictest compliance with these procedures by all personnel at every level. Non-compliance may subject you as well as Patheon to serious legal difficulties with governmental authorities. Non-compliance is also grounds for immediate termination of your employment with Patheon and could entitle Patheon to recover damages from you.

**G. REVIEW OF INSIDER TRADING POLICY**

This policy shall be reviewed by the Board of Directors at least every two years following its approval. In conducting the review, the Board of Directors will consult with the General Counsel, and external counsel as required, to ensure continued compliance with regulatory standards for policies of this nature.

Approved by the Board of Directors  
Patheon Inc.  
September 4, 2008