



INSIDER TRADING POLICY DATED SEPTEMBER 28, 2016

Spotlight Innovation Inc. (and any subsidiaries, collectively, the “Company”) has adopted the “Insider Trading Policy” that sets forth the general standards for all members of the Board of Directors, officers, employees, consultants, contractors as well as family members and other related individuals of the Company with respect to engaging in transactions in the Company’s securities and securities of other companies. Normally companies impose additional compliance procedures upon members of the Board of Directors and certain officers and other employees who have been notified by the Company’s Chief Financial Officer or Chief Executive Officer (referred to as “Trading Officer”), but due to the earlier nature of this company and the fact that practically all of the above defined “insiders” have basically the same knowledge, all parties are subject to this policy until the Company determines that it qualifies as a larger company which at that time the Company could change this particular policy.

The Trading Officer, currently the Chief Financial Officer, will administer the Insider Trading Policy. Any questions regarding this Policy should be directed to the Trading Officer. See Exhibit A for contact information. This Policy is to be delivered to all new employees and consultants upon the commencement of their relationships with the Company.

Who is an “Insider?” Any person who possesses material, non-public information is considered an insider as to that information. Insiders may include, but are not limited to, Company directors, officers, employees, independent contractors, and those persons in a special relationship with the Company, e.g., its auditors, consultants or attorneys. The definition of insider is transaction specific; that is, an individual is an insider with respect to each material, non-public item of which he or she is aware.

APPLICABILITY

This Policy is applicable to all members of the Board of Directors, officers, employees, independent contractors, consultants and advisors, and applies to all transactions in the Company’s securities, including common stock, options for common stock, and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures. Any person who possesses Material Non-public Information regarding the Company is an insider for so long as the information is not publicly known. Any employee can be an Insider from time to time and would at those times be subject to this Policy.

GENERAL POLICY

No member of the Board of Directors, officer, employee or consultants of the Company who is aware of Material Non-public Information regarding the Company may, directly or through a Related Person, (a) purchase or sell the Company’s securities, (b) gift the Company’s securities, (c) engage in any other action to take advantage of that information or (d) provide that information to others outside the Company, including family and friends.

In addition, this Policy is applicable to all Material Non-public Information relating to any other company with publicly-traded securities obtained in the course of employment by or association with the Company. If you are aware of Material Non-public Information, you must forego a transaction in the Company's securities or the securities of another company even though:

- you planned the transaction before learning of the Material Non-public information;
- you may lose money or a potential profit by not completing the transactions; or
- the transaction may be necessary or seem justifiable for independent reasons (including a need to raise money for a personal financial reason).

Remember that anyone scrutinizing your transactions will be doing so after the fact, with the benefit of hindsight. As a result, before engaging in any transaction, you should carefully consider how your transaction may be construed by enforcement authorities and others in hindsight.

DEFINITIONS

Material Non-public Information

Material Information

Information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of a security or where the information is likely to have a significant effect on the market price of the security. Either positive OR negative information may be material. Possible material information includes, but is not limited to:

- Earnings information, quarterly and annual results;
- Guidance on earnings estimates;
- Mergers, acquisitions, tender offers, joint ventures or changes in assets;
- New products, contracts with suppliers and distributors, or developments regarding customers or suppliers (e.g., the acquisition or loss of a contract);
- Changes in auditor or auditor notification that a company may no longer rely on an audit report;
- Events regarding a company's securities (e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to rights of security holders, public or private sales of additional securities, or information related to any additional funding);
- Bankruptcies or receiverships;
- Regulatory approvals or changes in regulations;
- Significant exposure due to actual or threatened litigation;
- Changes in senior management;

It can sometimes be difficult to know whether information would be considered material. When doubt exists, the information should be presumed to be material. Common sense rules as well. **If you are unsure whether information of which you are aware is material, you should consult the Trading Officer.**

Non-public information

Non-public information, whether or not material, is information that has not been made available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to the public, such as to the wire services through a press release or through an SEC filing, and a sufficient period of time must have elapsed to allow the information to be fully disclosed to the general public. As a general rule, information shall not be considered fully disclosed to the general public until after the close of business on the **second trading day** (every day that the applicable stock exchange is open for trading – generally, every day of the year other than Saturdays, Sundays and federal holidays) following the date of public disclosure of the information. For example, if an announcement is made before the commencement of trading on a Friday, you may transact in the Company’s securities starting on Wednesday of that week following the elapse of two trading days (Monday and Tuesday).

Related Person

A Related Person includes your spouse, minor children and anyone else living in your household; partnerships in which you are a general partner; trusts of which you are a trustee; and estates of which you are an executor.

Specific Policies Applicable to All Employees, Officers, Members of the Board of Directors and Other Related Individuals

Confidentiality. Unauthorized disclosure of Material Non-public Information could create serious problems for the Company, whether or not the information was disclosed for the purpose of conducting improper transactions in the Company’s securities. You should not discuss Material Non-public Information with anyone outside the Company, including through the use of e-mail or the internet (including on-line bulletin boards and chat rooms), except as required in the performance of your regular job duties.

Prohibited Transactions in the Company’s Securities. While you are aware of Material Non-Public Information, neither you nor any Related Person may transact in the Company’s securities. This includes a prohibition on:

- placing a purchase or sell order or recommending that another person place a purchase or sell order in the Company’s securities;
- gifting the Company’s securities;
- stock option exercises; and
- transactions under any Company Savings and/or 401K plans.

The only exceptions to the Policy are as follows:

- Automatic payroll deductions, pursuant to a contribution election made when you were not aware of Material Non-public Information, to purchase Company common stock and Company matching contributions, if applicable, under any of the Company’s savings and/or 401K Plans.
- Award payouts by the Company to you under any equity-based compensation plans (subject to Board of Directors’ approvals for any issued equity transactions).

- Any purchase or sale of the Company's securities made pursuant to an agreement or plan that complies with SEC Rule 10b5-1; provided that (a) you were not aware of Material Non-public Information at the time you entered into or adopted the agreement or plan, and (b) the agreement or plan has been approved in advance by the Trading Officer.
- The exercise of stock options for cash (but not the sale of any shares received upon exercise).
- The exercise of tax withholding rights pursuant to which you elect to have the Company withhold shares to satisfy tax withholding requirements.
- Any transaction specifically approved in writing in advance by the Trading Officer.

Black-Out Periods. The Trading Officer has the authority, when he or she deems it necessary or advisable because of developments known to the Company and not yet disclosed to the public or for other reasons, to prohibit members of the Board of Directors, officers, any other employees, consultants, and related parties from transacting in Company securities (a "*Black-Out Period*"). The Trading Officer will notify you by email of such a prohibition, and the Black-Out Period shall continue for as long as the Trading Officer specifies. In the event of a Black-Out Period, affected persons may not engage in any transaction involving the purchase or sale of the Company's securities during the Black-Out Period and may not disclose to others the fact of their transaction suspension. **If a black-out is imposed on you, you and your Related Persons may NOT execute transactions.**

Speculative Transaction Prohibitions. You and your Related Persons may **NOT, AT ANY TIME**, transact in options, warrants, puts and calls or similar instruments on the Company's securities or sell short (selling a security not owned by you) securities of the Company.

Transacting in Securities of Other Companies. Neither you nor any Related Person may place purchase or sell orders or recommend that another person place a purchase or sell order in the securities of another company if you become aware of Material Non-public Information about the other company in the course of your employment by or affiliation with the Company until such Information becomes available to the general public.

Tipping. You and your Related Persons are prohibited from disclosing (tipping) Material Non-public Information to any other person (including family members) where that Information may be used by that person for his or her profit by transacting in the securities of companies (including the Company) to which the Information relates. Also, you and your Related Persons may not make recommendations or express opinions concerning transactions in the Company's (or any other company's) securities on the basis of material Non-public Information.

As there are several insiders who will own and may trade shares of the Company's stock, the Company suggests that you do not trade in large blocks of shares on a given day so that you do not influence the Company's stock price whether positively or negatively. You should trade small blocks over a period of time.

Violations of this Policy

The Company expects strict compliance by all persons subject to the Policy, and appropriate judgment should be exercised in connection with any transactions in the Company's securities. The penalties for insider trading, in addition to the negative impact on the Company's reputation and business success, can be quite severe. Insiders or their "tippees" may be subject to civil penalties of up to three times the profit gained or loss avoided, criminal fines of up to \$5,000,000 and jail time of up to twenty years. Large penalties have been imposed on insiders who tipped information even when the insider did not profit financially from the transactions.

If you violate this Policy, you will also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity based compensation plans or termination of employment.

Trading Window Based on Filing Dates of Quarterly and Annual Financial Results

To assist you in complying with insider trading laws, the Company has created a trading window based on the expected SEC filing dates of quarterly and annual financial results. As illustrated in Exhibit B, the trading window opens at the close of business on the **second trading day** following the date the financial results for a particular fiscal quarter or year are disclosed to the general public through a press release or SEC filing and ending on the last trading day (14 calendar days before release of next financials -the "*Trading Window*").

You should know, however, that even during the Trading Window, if you have knowledge of Material Non-public Information concerning the Company, you may not transact in the Company's securities until the close of business on the **second trading day** following the date such information has been disclosed to the general public. *Transacting in the Company's securities during the Trading Window should not be considered a "safe harbor," and you should use good judgment at all times.*

Annual Certification

To ensure compliance with this Policy, all members of the Board of Directors, certain Executive Officers and certain employees who have been so notified are required to execute and deliver an annual statement to the Company's Trading Officer, certifying that they have complied with this Policy at all times during the last year (or such lesser time as they have been covered under this Policy). The Trading Officer will notify you when such certification is due.

For Board Directors and Officers that are subject to provisions of Section 16 of the Securities Exchange Act of 1934

Pre-Clearance of Transactions, Post-Transaction Notification and Short-Swing Profits

The following standards apply only to:

- all members of the Board of Directors, and
- Executive Officers (those officers who have been notified that they are subject to the provisions of Section 16 of the Securities Exchange Act of 1934 - namely the reporting of beneficial ownership of Form 3's, 4's and 5's and prohibition on short swing profits).

Pre-Clearance of Transactions

Members of the Board of Directors and Executive Officers may only transact in the Company's securities when the Trading Window is open (and assuming a Black-Out Period has not been imposed, and they are not otherwise aware of Material Non-public Information), and then only with the prior approval of the Company's Trading Officer. The information that must be provided when requesting pre-clearance is attached as Exhibit C. Normally, the Trading Officer will approve, as consistent with this Policy, any transaction that complies with this Policy and applicable securities law and that occurs during an open Trading Window.

Post-Transaction Notification

Members of the Board of Directors and Executive Officers must report each transaction in securities of the Company to the Trading Officer ***within one business day of the trade date***. A form for such notification is attached as Exhibit D. As part of the Trading Officer's duties, he/she will give this information to the Trading Officer for preparation of the applicable Forms 3, 4 or 5 for SEC filing requirements.

Short-swing profits

Definition: The Short-Swing Profit Rule is a Securities and Exchange Commission regulation that requires Company insiders to return any profits made from the purchase and sale of Company stock if both transactions occur within a six-month period. A Company insider, as determined by the rule, is an officer, director or beneficial holder of more than 10% of the Company's shares. The rule was implemented to prevent insiders, who have greater access to material Company information, from taking advantage of information for the purpose of making short-term profits. This rule applies to all Section 16 related Board Directors and Officers regardless whether they beneficially own more than 10% of the Company's shares or not. For example, if an officer buys 100 shares at \$5 in January, and sells these same shares in February for \$6, he/she would have made a profit of \$100. Because these shares were bought and sold within a six-month period, the officer would have to return the \$100 to the company under the short-swing profit rule.

Please indicate that you have received, read and will abide by this Insider Trading Policy by signing your name and dating the acknowledgement below and returning it promptly to the Company.

I certify that I have carefully read this Insider Trading Policy and will comply with its terms and conditions.

Signature

Print Name

Date

EXHIBIT A
CONTACT INFORMATION

To contact the Trading Officer about the Company's Insider Trading Policy, use the contact information below:

Trading Officer:

Chief Financial Officer
Spotlight Innovation Inc.
6750 Westown Parkway, Suite 200-226
West Des Moines, Iowa 50266
Office (515) 274-9087
Email: bill.pim@spotlightinnovation.com

**EXHIBIT B (APPLIES TO RELEASE OF FINANCIALS)
 TRADING WINDOW (CLOSE OF BUSINESS ON 2ND TRADING DAY FOLLOWING DATE
 OF RELEASE UP TO 14 DAYS BEFORE NEXT RELEASE OF FINANCIALS)**

TRADING ALLOWED							PLANNED RELEASE OF FINANCIALS							NO TRADING ALLOWED						
MONTH OF JAN							MONTH OF FEB							MONTH OF MARCH						
S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA
1	2	3	4	5	6	7				1	2	3	4					1	2	3
8	9	10	11	12	13	14	5	6	7	8	9	10	11	4	5	6	7	8	9	10
15	16	17	18	19	20	21	12	13	14	15	16	17	18	11	12	13	14	15	16	17
22	23	24	25	26	27	28	19	20	21	22	23	24	25	18	19	20	21	22	23	24
29	30	31					26	27	28	29				25	26	27	28	29	30	31
MONTH OF APRIL							MONTH OF MAY							MONTH OF JUNE						
S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA
1	2	3	4	5	6	7			1	2	3	4	5						1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30
MONTH OF JULY							MONTH OF AUG							MONTH OF SEPT						
S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA
1	2	3	4	5	6	7				1	2	3	4							1
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						
MONTH OF OCT							MONTH OF NOV							MONTH OF DEC						
S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA	S	M	TU	W	TH	F	SA
	1	2	3	4	5	6					1	2	3							1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

■: Represents the date the SEC report and/or press release containing financial information is released to the public. No trading on these days.

EXHIBIT C

**Information That Must Be Provided To Obtain Pre-Clearance of A Transaction
(This Form May Be Completed and Submitted to the Trading Officer)**

**Trading Officer
Chief Financial Officer
Spotlight Innovation Inc.
6750 Westown Parkway, Suite 200-226
West Des Moines, Iowa 50266**

As required under the Company's Insider Trading Policy, I am seeking a pre-clearance of a transaction involving the Company's securities.

I certify that:

- I am not in possession of any Material Non-public Information concerning the securities,
- I have not violated any provision of the Insider Trading Policy, and
- I have fully and honestly disclosed all material information concerning this transaction.

The details of the proposed transaction are set forth below:

Type of transaction (acquisition/disposition): _____

Type of security (e.g., option, common stock): _____

Number of securities (estimate): _____

Acquisition of Disposition Price: \$ _____ (if known)

Any other material terms of the transaction: _____

Signature: _____

Name: _____
(please print)

Title: _____

Date: _____

EXHIBIT D
Post-Transaction Notification

Trading Officer
Chief Financial Officer
Spotlight Innovation Inc.
6750 Westown Parkway, Suite 200-226
West Des Moines, Iowa 50266

As required under the Company's Insider Trading Policy, I am notifying you of the completion of the following transaction(s) involving Company securities:

Type of Transaction: _____

Type of Security: _____

Number of Securities: _____

Trade Date: _____

Acquisition or Disposition Price: \$ _____

Any other material terms of the transaction: _____

Signature: _____

Name: _____

(please print name)

Title: _____

Date: _____