

HEALTHLINX LIMITED

DIRECTORS AND ASSOCIATES SHARE TRADING POLICY

Introduction

This document sets out the policy of HealthLinx Limited (“**the Company**”) concerning dealings in the Company’s shares by Directors of the Company. This policy should be reviewed regularly in the light of changing regulatory and legal requirements.

It has been prepared with the assistance of our company solicitors and having regard to the practices and policies of other listed companies and other materials, including the Australian Institute of Company Directors Corporate Governance Policy Paper “*The Buying and Selling of Shares by Directors*” and the Australian Stock Exchange “*Principles of Good Corporate Governance and Best Practice Recommendations*”.

The Directors are advised to read Appendix 1 which explains and restates some key points of the Policy:

- a) Insider Trading
- b) Trading in Time Windows
- c) Notification
- d) Approval by the Board in Special Cases
- e) Risk Aversion

Policy

1. *Corporations Act*

Directors must comply at all times with the provisions of the Corporations Act and Australian Stock Exchange Listing Rules concerning share dealings including:

- insider trading provisions;
- market manipulation provisions;
- substantial shareholder notice provisions; and
- notification requirements.

It is each Director’s own responsibility to ensure that they are fully aware of their legal obligations with respect to share dealings.

2. *Time Window*

Subject at all times to paragraph 1 above and the other provisions of this Policy, Directors may trade in shares in the Company (*as those expressions are given meaning in paragraph 11 below*) only during a period (or “**time window**”) commencing 24 hours after any announcement to the Australian Stock Exchange (including without limitation an announcement of annual and half yearly results), and ending 30 days afterwards.

3. ***Imminent Releases***

Even during a “*time window*” referred to in paragraph 2 above, Directors may not trade in shares in the Company at any time when they are aware that any announcement of a major event or release of price sensitive information is likely to occur in the near future.

4. ***Price Sensitive Information***

Even during a “*time window*” referred to in paragraph 2 above, Directors may not trade in shares in the Company while they are in possession of price sensitive information which is not publicly available, may not communicate that information to any other person other than in the course of performance of their duties and should ensure that external advisers to the Company that are in possession of the information are required to keep that information confidential. Price sensitive information may include significant changes or forecasts of significant changes in the Company’s performance, compared to market expectations, as well as information relating to other events or developments which will have, or are likely to have, a significant effect on the Company.

5. ***Annual General Meeting (“AGM”)***

Even during a “*time window*” referred to in paragraph 2 above, Directors may not trade in shares in the Company during the period commencing four (4) weeks prior to any AGM of the Company and ending at the closure of the relevant AGM.

6. ***Inform Chairman Prior to and Following Trades***

Before trading in shares at any time, Directors should inform the Chairman by email, fax or letter of their intention to trade (with a copy to the CEO and Company Secretary). In the case of the Chairman intending to trade, the CEO should be notified. The Chairman or CEO should provide an acknowledgment by email or fax within 48 hours. Directors should also provide to the Chairman confirmation of any trading in shares that has occurred (with a copy of such confirmation to the CEO and Company Secretary).

7. ***Approval***

Subject to paragraphs 1, 3, 4 and 5 above, a Director may trade in shares in the Company outside a “*time window*” where expressly approved by the Board of Directors. The Board of Directors might decide to permit such trading from time to time based on that particular Director’s circumstances.

In considering whether to exercise its discretion in favour of a Director, the Board will have regard not only to the Director’s particular circumstances, but also to the terms of this Policy and all applicable laws.

8. ***Section 205G Notices***

Copies of all notices of changes of interests (shareholdings) under section 205G of the Corporations Act must be provided to the Company and must be available for inspection by all Directors.

9. ***Other Companies***

A Director should not trade in shares or other securities of other corporations where the Director has in his or her possession price sensitive information relating to the Company that also concerns that other corporation, or is aware of any proposed transaction by the Company concerning that other corporation or its securities.

10. ***Securities Risk Management***

A Director should not enter into transactions regarding the Director's shares in the Company for the purpose of, or where the transaction has the effect of, limiting or minimising the economic risk to the Director of holding the shares (for example, by entering into put or call option arrangements in respect of shares in the Company).

11. ***Interpretation***

For the purpose of this Policy:

“Associate” means:

- (a) a spouse or de facto spouse of the Director;
- (b) a parent or child of the Director or the Director's spouse or de facto spouse;
- (c) a company, partnership, or trust which
 - (i) the Director controls;
 - (ii) the Director and any person referred to in paragraphs (a) or (b) control; or
 - (iii) any person referred to in paragraphs (a) and (b) controls; or
- (d) any other person with whom the Director is acting or proposing to act in concert regarding the acquisition of securities.

For the purpose of this definition, “control” means the ability (whether or not based on a legal right) to determine the outcome of decisions about the relevant entity's financial and operating policies.

“**Director**” means a director of the Company from time to time and includes an Associate of a Director.

“**shares**” includes options and other securities including without limitation debentures, derivatives and warrants issued or made available by the Company or any associated company.

“**trading**” includes dealings by way of option exercise and rights trading and includes procuring or causing other persons to trade.

Appendix 1: Explanatory Notes to the Policy

A. *Insider Trading*

The Corporations Act prohibits securities dealings by persons who are in possession of price sensitive information which is not generally available. These provisions are broad and apply to Directors.

For this purpose, “price sensitive information” is information (defined broadly) which a reasonable person might expect to influence persons who commonly invest in the relevant securities in deciding whether to buy, sell or hold the securities.

The Corporations Act also regulates:

- disclosure of shareholdings by substantial shareholders (Part 6C.1);
- disclosure of changes to relevant interests in shares by Directors (section 205G);
- market manipulation (sections 1041A, 1041B, 1041C, 1041E, 1041F); and
- misleading and deceptive conduct (section 1041H).

Directors should have regard to all of these obligations. If in doubt, Directors should seek advice.

B. *Trading in Time Windows*

The HealthLinx Policy goes further than the Corporations Act, and adopts the “time window” concept used by many other listed companies and recommended by the Australian Institute of Company Directors Corporate Governance Policy Paper on “*The Buying and Selling of Shares by Directors*”.

However, trading inside time windows will not mean that a Director is necessarily in compliance with the Policy - refer to paragraphs 3, 4 and 5. Paragraph 3 is designed to avoid situations where a Director trades shortly before an announcement by the Company which might be considered adversely by the market. Paragraph 4 expresses the same principles as the insider trading provisions of the Corporations Act, but attempts to do so in plain language. Paragraph 5 is based on a directive issued by the Company’s Board of Directors. The Board is of the view that trading immediately prior to an AGM should be avoided as a matter of principle.

It is recognised that compliance with the requirements of the Corporations Act may not be adequate and the Policy needs to go further than the Corporations Act; in the words of the AICD Paper “*In order that the reputation and integrity of directors is preserved, it is vital that directors’ dealings in their companies’ shares are not only fair, but are seen to be fair*”.

C. *Notification*

To ensure that the Policy is adhered to, and issues concerning Directors’ share trading are given due consideration on a timely basis, the Policy includes a requirement to inform the Chairman before trading is undertaken (with a copy to the CEO and Company Secretary). A trade may be undertaken prior to receipt by the relevant Director of the written acknowledgment from the Chairman. The Policy also requires Directors to provide to the Chairman notification of any trading in shares that has occurred (with a copy to the CEO and Company Secretary).

D. *Approval by Board in Special Situations*

To recognise that Directors, for various reasons, may wish to trade outside “time windows”, the Policy permits such trading where approved by the Board of Directors. This will ensure that there is independent oversight of Directors’ share transactions. The Board has discretion to allow trading outside the “time window” based on the circumstances of the Director, for example if the Director is suffering financial hardship.

E. *Risk Aversion*

Transactions can be entered into whereby the economic risk associated with holding shares is limited or minimised. For example, a put option may be purchased by a shareholder whereby, if the share price falls below a certain level, the person giving the put option may be required by the shareholder to purchase the shares at the original share purchase price (whereby, akin to an insurance policy, the shareholder does not make a loss).

It is recognised that entering into such transactions as a way to maintain value in shares in the Company is not in the best interests of the Company nor likely to engender confidence in fellow Company shareholders generally. The Policy requires that Directors not enter into these sorts of transactions.