

# Securities Trading Policy

## 1. Introduction

- 1.1 These guidelines set out the policy on the sale and purchase of securities in Resonance Health Ltd (ASX: RHT) (**Company**) by its personnel (**Policy**). The Company's personnel are its Directors, Key Management Personnel, employees and certain of its consultants (together, **Personnel**).
- 1.2 Personnel are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchase or sale of such securities.
- 1.3 The purpose of this Policy is to assist Personnel to avoid conduct known as 'insider trading'. In some respects, this Policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth).

## 2. What types of transactions are covered by this policy?

This Policy applies to both the sale and purchase of any Company securities on issue from time to time.

## 3. What is insider trading?

### Prohibition

- 3.1 Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:
- (a) that person possesses information that is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities ('price sensitive information'); and
- (b) that person:
- (1) buys or sells securities in the Company; or
  - (2) procures someone else to buy or sell securities in the Company; or
  - (3) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

### Examples

- 3.2 To illustrate the prohibition described in paragraph 3.1 above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to materially affect the price of the Company's securities:
- (a) the Company considering an acquisition;
- (b) the threat of litigation against the Company;

- (c) the Company's revenue and profit or loss results exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;
- (e) a significant new development proposal (e.g. new product or technology);
- (f) the grant or loss of a major contract;
- (g) a management or business restructuring proposal;
- (h) a share issue proposal; and
- (i) an agreement or option to acquire an interest in a patent.

### Dealing through third parties

- 3.3 The insider trading prohibition extends to dealings by individuals through nominees, agents, or other associates such as family members, family trusts and family companies (referred to as "**Associates**" in this policy).

### Information however obtained

- 3.4 It does not matter how or where the person obtains the information; it does not have to be obtained from the Company to constitute inside information.

### Employee share schemes

- 3.5 The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares resulting from the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme, and to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

### Hedging prohibition

- 3.6 Personnel must not enter into an arrangement with anyone if it would have the effect of limiting the exposure of the person to risk relating to an element of the person's remuneration that:
- (a) has not vested in the person; or
- (b) has vested in the person but remains subject to a holding lock.
- 3.7 Without limiting paragraph 3.6(a), remuneration that is not payable to a person until a particular day is, until that day, remuneration that has not vested in the person.

## 4. Guidelines for trading in the Company's securities

### General Rule

- 4.1 Personnel must not, except in exceptional circumstances, deal in securities of the Company during the following periods:
- (a) two weeks prior to and 24 hours after, the release of the Company's Annual Financial Report;
  - (b) two weeks prior to and 24 hours after, the release of the Company's Half Year Financial Report;
  - (c) two weeks prior to and 24 hours after, the release of the Company's Quarterly Reports (if applicable);
  - (d) 21 calendar days up to and including the date of the Company's Annual General Meeting; and
  - (e) during any other period advised to Personnel by the Company Secretary or Board,
- (together, the **Closed Periods**).
- 4.2 The Company may at its discretion vary this rule in relation to a particular Closed Period by general announcement to Personnel either before or during the Closed Periods. However, if Personnel are in possession of price sensitive information which is not generally available to the market, then they must not deal in the Company's securities at **any** time.
- 4.3 The Company may, from time to time, also impose a Closed Period in which Personnel must not trade in the Company's securities because the Company is considering matters that would require disclosure to the market but for ASX Listing Rule 3.1A.
- 4.4 Personnel must defer trades if an announcement of a major event or the release of price sensitive information is likely to occur shortly after a proposed trade, even if it is outside the Closed Period and/or inside the trading window. **Even if it is outside of a Closed Period, Company Personnel must not trade in the Company's securities if they are in possession of inside information.** See paragraph 3.1 above.

### No short-term trading in the Company's securities

- 4.5 Personnel should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold soon thereafter.

### Securities in other companies

- 4.6 Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

### Exceptions

- 4.7 Personnel may at any time:
- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
  - (b) acquire Company securities under a bonus issue made to all holders of securities of the same class;
  - (c) acquire Company securities under a dividend reinvestment or top-up plan that is available to all holders or securities of the same class;
  - (d) acquire, or agree to acquire or exercise options under an employee incentive scheme (as that term is defined in the ASX Listing Rules);
  - (e) withdraw ordinary shares in the Company held on behalf of the Personnel in an employee incentive scheme (as that term is defined in the ASX Listing Rules) where the withdrawal is permitted by the rules of that scheme;
  - (f) acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
  - (g) transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
  - (h) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
  - (i) where a restricted person is a trustee, trade in the securities of the Company by that trust, provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
  - (j) undertake to accept, or accept, a takeover offer;
  - (k) trade under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
  - (l) dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
  - (m) exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period or the Company has had a number of 4

consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or

- (n) trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.
- 4.8 In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in paragraph 4.1.
- 4.9 Were this to occur at a time when the person possessed inside information, then the sale of Company securities would be a breach of insider trading laws, even though the person's decision to sell was not influenced by the inside information that the person possessed and the person may not have made a profit on the sale. Where Company securities are provided to a lender as security by way of mortgage or charge, a sale that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

#### **Notification of periods when Personnel are not permitted to trade**

- 4.10 The Board, Chief Executive Officer (CEO) or Company Secretary will endeavour to notify Personnel of the times when they are not permitted to buy or sell the Company's securities as set out in paragraph 4.1.

## **5. Approval and notification requirements**

### **Approval requirements**

- 5.1 Directors, officers and Key Management Personnel (other than the Chair) wishing to buy, sell or exercise rights in relation to the Company's securities must obtain the prior written approval of the Company Secretary or the Board before doing so.
- 5.2 If the Chair wishes to buy, sell, or exercise rights in relation to the Company's securities, the Chair must obtain the prior approval of the Board.

### **Approvals to buy or sell securities**

- 5.3 All requests to buy or sell securities as referred to in paragraph 5.1 must include the intended volume of securities to be purchased or sold and an estimated timeframe for the sale or purchase.
- 5.4 Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale transaction.

### **Notification**

- 5.5 Subsequent to an approval obtained in accordance with paragraphs 5.1 and 5.2, Directors, officers or Key Management Personnel who (or through their Associate) buy, sell or exercise rights in relation to Company securities must notify the Company Secretary in writing of the transaction details within

two (2) business days of the transaction occurring. This notification obligation operates at all times and includes applications for subscriptions for of shares or options by employees made under employee share or option schemes and also applies to the acquisition of shares as a result of the exercise of options under an employee option scheme.

### **Personnel sales of securities**

- 5.6 Personnel need to be mindful of the market perception associated with selling Company securities and the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX for the preceding 20 trading days) by any Personnel should be discussed with the Board or the Company's legal advisers prior to the execution of any sale. These discussions should be documented in the form of a file note, to be retained by the Company Secretary.

### **Exemption from Closed Periods restrictions due to exceptional circumstance**

- 5.7 Personnel who are not in possession of inside information in relation to the Company, may be given prior written clearance by the CEO (or, in the case of the CEO, by the Board) to sell or otherwise dispose of Company securities in a Closed Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

### **Severe financial hardship or exceptional circumstances**

- 5.8 The determination of whether a person is in severe financial hardship will be made by the CEO (or, in the case of the CEO, the Board). A severe financial hardship or exceptional circumstances determination can only be made by examining all the facts and, if necessary, obtaining independent verification of the facts from banks, accountants or other institutions.

### **Financial hardship**

- 5.9 Personnel may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the Company's securities.
- 5.10 In the interests of an expedient and informed determination by the CEO (or the Board as the context requires), any application for an exemption allowing the sale of Company securities in a Closed Period based on financial hardship must be made in writing stating all the facts accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and/or other such independent institutions (where applicable).
- 5.11 Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale

of securities can be made.

### **Exceptional circumstances**

- 5.12 Exceptional circumstances may apply to the disposal of Company securities by Personnel if the person is required by a court order or a court enforceable undertaking (for example, in a bona fide family settlement), to transfer or sell securities of the Company, or there is some other overriding legal or regulatory requirement to do so.
- 5.13 Any application for an exemption allowing the sale of Company securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation (where applicable).
- 5.14 Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

## **6. ASX Notification for Directors**

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The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in Company securities (either personally or through an Associate) which results in a change in the relevant interests of a Director in the Company's securities. The Company has arrangements with Directors to ensure that they promptly disclose to the Company Secretary the information required by the ASX.

## **7. Effect of Compliance with this Policy**

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- 7.1 Compliance with this Policy for trading in the Company's securities does not absolve an individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.
- 7.2 Breach of the insider trading prohibition could expose an individual to criminal and civil liability. Breach of insider trading law or this Policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.
- 7.3 This Policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Securities Personnel who wish to obtain further advice in this matter, should contact the Company Secretary.
- 7.4 This Policy also applies to the Company's related entities.

## **8. Review of this Policy**

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This Policy should be reviewed annually. Any changes to this Policy will require Board approval and any material changes to this Policy must be notified to ASX and released to the market in accordance with the ASX Listing Rules.

## **9. Who to Contact**

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Any questions relating to the interpretation of this Policy should be forwarded to the Company Secretary.