



# Trading Policy

**Estia Health Limited ACN 160 986 201 (“Company”) and all related entities in the Estia Group (“Group”)**

**Approved by the Board on 5 June 2015**

# Trading Policy

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# Trading Policy

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## 1 Purpose

### 1.1 Scope

This policy summarises the law relating to insider trading and sets out the Company's trading policy on buying and selling the Company's Securities and Financial Products issued over or in respect of the Company's Securities that are able to be traded on a financial market.

### 1.2 Glossary

Terms used in this policy are defined in the Glossary in schedule 1.

### 1.3 Who does this policy apply to?

This policy applies as follows:

- part 2 (insider trading laws) and part 7 (confidentiality) apply to everyone (including all employees, contractors, family and Associates);
- This whole trading policy applies to all directors, officers and other Key Management Personnel of the Group; and any other persons designated by the Board of the Company from time to time (each a "**Designated Person**"). For the avoidance of doubt, the Company will not treat (and the Board may not designate as a Designated Person) any holder of the Company's Securities who is a professional or institutional investor, including if an executive or representative of that investor (or an affiliate of that investor) is:
  - a director (or alternate director) or officer on the Board of the Company or any committee of the Board of the Company;
  - a director (or alternate director) or officer on the Board of any subsidiary of the Company (or any such committee of such Board); or
  - otherwise engaged by the Company and any of its subsidiaries in an executive or professional advisory capacity; and
- paragraph 3.7 (Associates) applies our trading policy to the Associates of Designated Persons as specified in that paragraph.

### 1.4 Further advice

If you do not understand any aspect of this trading policy, or are uncertain whether it applies to you or your Associates, please contact the Company Secretary. You may wish to obtain your own legal or financial advice before dealing in the Company's Securities.

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## 2 Insider trading prohibitions in the Corporations Act

### 2.1 What are the insider trading prohibitions?

Under the Corporations Act, if you have Inside Information (as defined in paragraph 2.2 below) relating to the Company it is illegal for you to:

- (a) deal in (that is, apply for, acquire or dispose of) the Company's Securities or enter into an agreement to do so;
- (b) procure another person to apply for, acquire or dispose of the Company's Securities or enter into an agreement to do so; or

- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

### ***Options are included***

These prohibitions also apply to the application for, grant, exercise or transfer of an option over the Company's Securities, and to the securities of other entities if you possess Inside Information about those entities.

### ***Any capacity***

It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from the Company to constitute Inside Information.

### ***No giving "tips"***

You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in the Company's Securities, nor may you give "tips" concerning Inside Information relating to the Company to others.

**These prohibitions apply to everyone (not just Designated Persons) at all times.**

## **2.2 What is Inside Information?**

"**Inside Information**" is information relating to the Company which is not generally available but, if the information were generally available, would be likely to have a material effect on the price or value of the Company's Securities. Inside Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Company's Securities.

Examples of Inside Information could be:

- (a) the financial performance of the Company against its budget;
- (b) changes in the Company's actual or anticipated financial condition or business performance;
- (c) changes in the capital structure of the Company, including proposals to raise additional equity or increase debt;
- (d) proposed changes in the nature of the business of the Company;
- (e) changes to the Board of the Company or significant changes in Key Management Personnel;
- (f) an undisclosed significant change in the Company's market share;
- (g) likely or actual entry into, or loss of, a material contract;
- (h) material acquisitions or sales of assets by the Company;

- (i) a proposed dividend or other distribution or a change in dividend policy;  
or
- (j) a material claim against the Company or other unexpected liability.

## **2.3 When is information generally available?**

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX or otherwise similarly brought to the attention of investors who commonly invest in securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

Examples of possible readily observable matters are:

- (a) a change in legislation which will affect the Company's ability to make certain types of investments; or
- (b) a severe downturn in global securities markets.

## **2.4 Penalties**

As well as reputational damage for both you and the Company, a breach of the insider trading laws may subject you to:

- (a) criminal liability - penalties include heavy fines and imprisonment;
- (b) civil liability - you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities;
- (c) civil penalty provisions - ASIC may seek civil penalties against you and may even seek a court order that you be disqualified from managing a corporation.

Breach of the law, this policy, or both, will also be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal.

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# **3 No dealing in Prohibited Periods**

## **3.1 Trading windows and Prohibited Periods**

Subject to the insider trading prohibitions and the requirements of this policy, Designated Persons may only deal in the Company's Securities during the following trading windows:

- (a) 4 weeks beginning on the first trading day after the Company's half yearly results are announced to ASX;
- (b) 4 weeks beginning on the first trading day after the Company's annual results are announced to ASX;
- (c) 4 weeks beginning on the first trading day after the Company's annual general meeting;
- (d) at any time a prospectus, cleansing notice or similar disclosure document has been lodged with ASIC and is open for acceptances; and

- (e) at any other times as the Board of the Company permits.

Designated Persons may not deal in the Company's Securities during any other period ("**Prohibited Periods**"), unless otherwise allowed by this policy.

### **3.2 Prior notification**

If a Designated Person proposes to deal in the Company's Securities (including entering into an agreement to deal) at any time they must first provide (using the appropriate Company form):

- (a) written notice of their intention to the Notification Officer who is the:
- (i) Chairman of the Board for all directors and alternate directors of the Company (other than the Chairman of the Board), the Chief Executive Officer and the Company Secretary;
  - (ii) Chief Executive Officer for the Chairman of the Board; and
  - (iii) Company Secretary for all other Designated Persons; and
- (b) confirmation that you are not in possession of Inside Information.

The relevant Notification Officer may appoint a delegate to act on his or her behalf in the case of temporary absence.

### **3.3 Confirmation**

Before dealing in the Company's Securities, the Designated Person must receive a confirmation signed by the Notification Officer.

A confirmation expires five days from its date, unless it specifies a different expiry date.

A confirmation confirms that the proposed dealing by the Designated Person is within the terms of the trading policy but does not otherwise constitute approval or endorsement by the Company or the Notification Officer for the proposed dealing. Even if a confirmation is granted, a Designated Person remains personally responsible for their own investment decisions and assessing whether the insider trading prohibitions apply to them.

### **3.4 Notification of dealing**

In addition to providing advance notice under paragraph 3.2, Designated Persons must confirm in writing to the relevant Notification Officer, within three business days from when the dealing in the Company's Securities has occurred, the number of the Company's Securities affected and the relevant parties to the dealing.

### **3.5 Notifying interests and updating registers**

A register of notifications and clearances is to be kept by the Notification Officer.

A register of Designated Persons' interests in the Company's Securities is to be kept by the Notification Officer.

The Company, its Directors and Company Secretary will comply with requirements regarding notifying Directors' interests and updating Company registers including:

- disclosure obligations under the ASX Listing Rules (such as under ASX Listing Rules 3.1 and 3.19A);

- notifying ASIC of a substantial shareholding or change to that holding (under section 617B of the Corporations Act);
- for notifications, requests and clearances under this policy; and
- for Directors' material personal interests and standing notices (under Ch 2D div 2 of the Corporations Act).

### **3.6 Securities of other entities**

The ban on insider trading also applies to the securities of other entities **if** you possess Inside Information about those entities. This includes suppliers, contractors and customers.

### **3.7 Associates**

This policy also applies to Associates of Designated Persons, except for paragraphs 3.2 to 3.4 regarding prior notification, confirmation and notification of dealing. If relevant, a Designated Person must:

- inform their Associates about this policy; and
- communicate on behalf of their Associates with the Notification Officer for the purposes of this policy.

If you are in doubt as to whether a person is an Associate and the application of this policy to them, you should contact the Company Secretary who will make a determination on the issue.

## **4 Exceptional circumstances**

### **4.1 Request**

If there are exceptional circumstances, a Designated Person may request, and the Notification Officer may give, prior confirmation for the Designated Person to:

- deal in the Company's Securities during a Prohibited Period; or
- dispose of the Company's Securities even if otherwise prohibited under part 6,

except if this would breach the insider trading prohibitions - see part 2 above.

### **4.2 Examples of exceptional circumstances**

Exceptional circumstances may include:

- severe financial hardship, for example, a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities;
- requirements under a court order or court enforceable undertakings or other legal or regulatory requirements (for example, a family law settlement); or
- other exceptional circumstances as determined by the Chairman (or Chief Executive Officer where the Chairman is involved).

A liability to pay tax does not normally constitute severe financial difficulty.

If the Notification Officer has any doubt in making a determination of exceptional circumstances, they should exercise the discretion with caution.

The requirements of paragraphs 3.2 to 3.4 must be complied with regarding prior notification, confirmation and notification of dealing.

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## 5 Permitted dealings

Certain types of dealing are excluded from the operation of part 3 of this policy and may be undertaken at any time without requiring prior notification, approval or confirmation of dealing, subject to the insider trading prohibitions. The following are permitted primarily on the basis that the trading is passive, restrictive, outside of the individual's control or there is no underlying change in beneficial owner:

- (a) **(superannuation)** transfers of Securities which are already held in a superannuation fund or other saving scheme in which the Designated Person is a beneficiary;
- (b) **(third parties)** an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) **(other trustees)** where a Designated Person is a trustee, trading in the Company's Securities by the respective trust provided the Designated 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 Designated Person;
- (d) **(takeover)** undertakings to accept, or the acceptance of, a takeover offer;
- (e) **(rights offers, SPPs, DRPs and buy-backs)** trading 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 Company's 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;
- (f) **(lender disposal)** a disposal of the Company's Securities that is the result of a secured lender exercising their rights, however, this does not extend to disposal under a margin lending agreement where such agreements are prohibited by this policy;
- (g) **(incentive scheme)** the exercise (but not the sale of the Company's Securities following exercise) of an option or right, under an employee incentive scheme, or the conversion of 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 and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Designated Person could not reasonably have been expected to exercise it at a time when free to do so;
- (h) **(trading plan)** trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
  - (i) the Designated Person did not enter into the plan or amend the plan during a Prohibited Period; and



- (ii) the trading plan does not permit the Designated Person to exercise any influence or discretion over how, when, or whether to trade.

However, this policy does not allow the Designated Person to cancel the trading plan or cancel or otherwise vary the terms of their participation in the trading plan during a Prohibited Period other than in exceptional circumstances;

- (i) **(dividend reinvestment plan)** acquiring the Company's Securities under the terms of the Company's dividend reinvestment plan;
- (j) **(bonus issues)** acquiring the Company's Securities under a bonus issue made to all holders of the Company's Securities of the same class;
- (k) **(no change in beneficial interest)** trading the Company's Securities where the trading results in no change in beneficial interest in the Company's Securities. However, the requirements of paragraphs 3.2 to 3.4 must be complied with;
- (l) **(transfer to SMSF)** transferring the Company's Securities already held into a self-managed superannuation fund in which the Designated Person is a beneficiary; and
- (m) **(subscription under disclosure document)** subscribing for the Company's Securities under a disclosure document.
- (n) **(bona fide gifts)** of the Company's Securities to an individual by a third party;
- (o) **(family transactions)** transactions between an individual and a close family member or civil partner;
- (p) **(cancellation)** of the Company's Securities as a result of failure to vest or other forfeiture of securities received by individuals as part of performance based remuneration;
- (q) **(performance hurdles)** vesting (but not subsequent sale) of the Company's Securities as a result of meeting performance hurdles or release of the Company's Securities from holding lock or holding term in respect of securities received by individuals as part of performance-based remuneration.

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## 6 Further restrictions

### 6.1 No margin lending

Designated Persons are not permitted to enter into margin lending arrangements in relation to the Company's Securities. This is on the grounds that the terms may require the Company's Securities to be sold during a Prohibited Period or when the Designated Person possesses Inside Information.

This restriction does not extend to other funding arrangements where the Company's Securities may be included as security. Designated Persons should consult the Company Secretary if they are uncertain as to whether an arrangement should be classified as a margin lending arrangement.

### 6.2 No short term or speculative trading or short selling

The Company encourages Designated Persons to be long term investors in the Company.

Designated Persons must not engage in short term or speculative trading in the Company's Securities or in derivative or other Financial Products associated with the Company's Securities. Short term means in less than a 12 month period.

Designated Persons are not permitted to engage in short selling of the Company's Securities.

### 6.3 No hedging

Subject to the law, Designated Persons and their closely related parties (as defined in the Corporations Act) must not:

- (a) enter into transactions or arrangements with anyone which could have the effect of limiting their exposure to risk relating to an element of their remuneration that:
  - has not vested; or
  - has vested but remains subject to a holding lock; or
- (b) deal at any time in Financial Products associated with the Company's Securities, except for the type of dealing permitted by law or under this policy.

#### ***Examples of prohibited arrangements:***

- a put option on incentive remuneration;
- a short position on shares that forms part of the incentive remuneration. A short position is a position in relation to shares in a listed company where the quantity of the shares that a person has is less than the quantity of the shares that the person has an obligation to deliver; and
- an income protection insurance contract in which the insurable risk event affects the financial value of remuneration or equity or an equity-related instrument for the Key Management Personnel.

#### ***Examples of arrangements that are not prohibited:***

- an income protection insurance contract in which the insurable risk event is death, incapacity or illness of any of the Key Management Personnel; and
- a foreign currency risk arrangement.

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## 7 Confidential Information

You must treat all sensitive, non-public information ("**Confidential Information**") about the Company as confidential and belonging to the Company. You must not disclose Confidential Information to others (including family members, relatives, business or social acquaintances) except as authorised or legally required. You must avoid inadvertent or indirect disclosure of Confidential Information. Even within the Company, Confidential Information should be distributed to or discussed with others only on a need-to-know basis, and those people must be told that the information is confidential. Be careful that your conversations are not overheard in elevators, aeroplanes or other public places. Do not leave Confidential Information on conference tables, desks or otherwise unguarded. Take whatever steps are reasonably necessary to keep Confidential Information from being disclosed, except as authorised or legally required.

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## **8 Awareness and training**

The highest standards of corporate conduct are critical to the Company's reputation. The Company Secretary will instigate induction and on-going training, and set up appropriate processes, to promote compliance with this policy. A copy of this policy will be available on the Company's intranet site. It will be distributed to all Designated Persons and made available to employees and other persons as relevant.

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## **9 Review and publication of this policy**

The Board will review this policy annually to ensure it remains relevant to the current needs of the Company. This policy may be amended by resolution of the Board of the Company.

This policy is available on the Company's website. Key features are also published in:

- (a) the annual report or a link to the governance section of the Company's website; and
- (b) in the Appendix 4G form to be lodged with ASX at the same time as the annual report.

# Trading Policy

## Schedule 1 - Glossary

Unless the contrary intention appears, these meanings apply in the Trading Policy:

Term	Definition
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Associate</b>	Associates of a Designated Person include their closely connected persons and entities, ie their family members, trusts, companies, nominees and other persons over whom a Designated Person has, or may be expected to have, investment control or influence. See paragraph 3.7.
<b>ASX</b>	ASX Limited or Australian Securities Exchange, as the context requires
<b>Board</b>	means board of directors
<b>Company Securities or Company's Securities</b>	any securities of the Company including debentures, options, rights, derivatives and other Financial Products issued over or in respect of Company securities that are able to be traded on a financial market
<b>Confidential Information</b>	has the meaning given in part 7
<b>Corporations Act or "CA"</b>	<i>Corporations Act 2001</i> (Cth)
<b>"deal" or "trade"</b>	includes to take part in any transaction associated with buying, selling, acquiring, disposing of, converting or agreeing to do any of these things
<b>Designated Person</b>	has the meaning given in paragraph 1.3
<b>Financial Products</b>	include derivatives, options, warrants, futures, forward contracts, swaps and contracts for difference issued or created over or associated with Company Securities by third parties but do not include portfolio products that are not specific to the Company, for example index funds
<b>Inside Information</b>	has the meaning given in CA 1042A as summarised in paragraph 2.2
<b>Key Management Personnel</b>	means persons having authority and responsibility for planning, directing and

Term	Definition
	controlling the activities of an entity, directly or indirectly, including all executive and non-executive directors (see Accounting Standard AASB 124)
<b>Notification Officer</b>	the relevant person specified in paragraph 3.2 to whom notice should be given
<b>Prohibited Period</b>	has the meaning given in part 3