

**PRIMARY HEALTH CARE LTD**  
(ACN 064 530 516)

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**POLICY ON TRADING IN PRIMARY  
SECURITIES BY DIRECTORS AND  
KEY MANAGEMENT PERSONNEL**

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I, Charles Alan Tilley, certify this to be a true and correct copy of the Policy on Trading in Primary Securities by Employees and Directors, as adopted by the Directors of Primary Health Care Limited on 19 May 2016 and effective on and from 29 July 2016, pursuant to ASX Listing Rule 12.9, which is effective from 1 January 2011.



Charles Tilley  
Company Secretary

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# POLICY ON TRADING IN PRIMARY SECURITIES BY DIRECTORS AND KEY MANAGEMENT PERSONNEL

## 1. PURPOSE

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### 1.1 Policy and law

This document:

- (a) sets out the policy, adopted by the Directors of Primary, in relation to dealing in any type of Primary Securities by Directors and Key Management Personnel; and
- (b) summarises the law relating to insider trading.

### 1.2 Further advice

If you do not understand either the policy or the summary of the law, or if you are confused as to whether the law applies to you, please contact the Company Secretary. You may wish to seek your own professional legal advice prior to dealing in any type of Primary Securities.

## 2. DEFINITIONS

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In the construction of this document, unless the contrary intention appears:

"**ASX**" means ASX Limited (ACN 008 624 691).

"**the Chair**" means the individual who at the relevant time has been elected by the Directors of Primary to chair their meetings.

"**closed period**" means any time other than during a trading window.

"**the Company Secretary**" means the individual who at the relevant time is the company secretary of Primary and, if more than one individual holds such office, any of those individuals.

"**the Controlled Entity**" of a Director or KMP, as the case may be, is any company or trust over which the Director or KMP has, in substance (rather than form) the ability or power, whether direct or indirect, to dominate decision-making in relation to the financial and operating policies of the company or trust.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**deal**" means (whether as principal or agent) acquire, dispose of, or subscribe for, any type of Primary Securities.

"**Director**" means an individual who at the relevant time is a director of Primary, regardless of whether the individual is also a KMP or other Employee.

"**Employee**" means an individual who at the relevant time is an employee of Primary or a Subsidiary of Primary, but does not include an individual who is also a Director.

"**KMP**" and "**Key Management Person**" means each individual, other than a Director, who at the relevant time is one of the "Key Management Personnel" within the meaning of that phrase in Accounting Standards AASB 124 (Related Party Disclosures), being each individual "having authority and responsibility for planning, directing and controlling the activities of" Primary, directly or indirectly. While a Director is, under AASB 124, within the

definition of KMP, a Director is excluded from the definition of KMP in this document for ease of reading and understanding.

**“off-market”** means, in the context of dealing in any type of Primary Securities, to do so by any method other than through a market for trading offered by the ASX or any other financial market prescribed as such under the Corporations Act.

**“on-market”** means, in the context of dealing in any type of Primary Securities, to do so through a market for trading offered by the ASX or any other financial market prescribed as such under the Corporations Act.

**“Primary”** means Primary Health Care Ltd (ACN 064 530 516).

**“Primary Securities”** means the following types of securities issued by Primary:

- (a) “Primary Options”, being options granted by Primary entitling the holder to acquire, by way of issue, a new Primary Share (but such options are not quoted on the ASX);
- (b) “Primary Shares”, being fully paid ordinary shares in the capital of Primary (and which are quoted on the ASX).

**“Prohibited Person”** means each of the persons in paragraphs (a), (b), (c) and (d) of **Clause 5.1**.

**“Subsidiary”** means any company which at the relevant time is a subsidiary of Primary under section 46 of the Corporations Act.

**“trading window”** means each of the periods in paragraphs A-E inclusive of **Clause 5.1**.

### **3. INSIDER TRADING**

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#### **3.1 The prohibitions**

If you have price-sensitive information relating to Primary which is not generally available, it is illegal for you to:

- (a) buy, sell or otherwise deal in any type of Primary Securities; or
- (b) advise, procure or encourage another person to buy, sell or otherwise deal in any type of Primary Securities; or
- (c) pass on the price-sensitive information to any other person, if you know or ought reasonably to know that the other person would be likely to buy, sell or otherwise deal in any type of Primary Securities (or procure another person to do so).

#### **3.2 Prohibition on doing things indirectly**

You cannot get round the law by arranging for a member of your family, a friend or anyone else, to buy, sell or otherwise deal in any type of Primary Securities. Nor may you give “tips” concerning price-sensitive information relating to Primary to others.

#### **3.3 Prohibitions also apply in relation to securities of other companies**

The same prohibitions apply to buying, selling or otherwise dealing in securities of any other company about which you may have price-sensitive information.

### **3.4 What is “price-sensitive information”?**

Price-sensitive information means information relating to Primary that, if the information were "generally available", a reasonable person would expect it to have a material effect on the price or value of a type of Primary Securities. That "material effect" is satisfied if the information would be likely to influence persons who commonly invest in securities in deciding whether or not to buy or sell that type of Primary Securities.

### **3.5 When is the information “generally available”?**

Information is generally available if:

- (a) it consists of a readily observable matter; or
- (b) it has been brought to the attention of investors through an announcement to the ASX, and a reasonable period has elapsed since the announcement.

### **3.6 What are the consequences if you breach the insider trading prohibitions?**

Breach of the insider trading prohibitions may subject you or members of your family to:

- (a) criminal liability – penalties include heavy fines and imprisonment;
- (b) civil liability – you can be sued by another party or Primary for any loss suffered as a result of illegal trading activities.

### **3.7 The prohibitions apply to everybody, not just KMP**

The insider trading prohibitions apply to everybody, regardless of whether you are a KMP of Primary, and regardless of whether or not you have any connection with Primary. It is your possession of price-sensitive information relating to Primary that imposes the prohibitions.

### **3.8 Get advice**

The insider trading prohibitions are found in sections 1042A to 1043O of the Corporations Act. The above is just a short summary of what are detailed and complex provisions. There are also some limited exceptions to be found in those provisions. You must get your own professional legal advice about the provisions.

## **4. INTRODUCTION TO POLICIES**

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### **4.1 Outline of policies**

If a Prohibited Person is not prevented from dealing in a type of Primary Securities by reason of the insider trading prohibitions summarised in **Section 3** above, then the Prohibited Person may still be prohibited from so dealing by reason of a policy set out below. The prohibitions below apply, or not apply, depending on a number of factors, including:

- (a) the type of Primary Security to be traded; and
- (b) the identity of the person seeking to trade; and
- (c) the period during which the trade may occur; and
- (d) whether the trade is to be on-market or off-market; and
- (e) whether automatic exemptions are available; and
- (f) whether prior written clearances to trade are given.

## 4.2 Spirit, intention and purpose

The Directors of Primary have formulated the policy in **Sections 5 to 9** of this document in accordance with ASX Listing Rules 12.9 to 12.12. To assist listed entities to comply with those Listing Rules the ASX issued Guidance Note 27. The Directors require that each Director, KMP, other Prohibited Person, and Company Secretary, in interpreting the terms of this document and in exercising any discretions granted under it, must comply with Listing Rule 12.12 as interpreted in accordance with Listing Rule 19.2, namely:

- (a) in accordance with its spirit, intention and purpose; and
- (b) by looking beyond form to substance; and
- (c) in a way that best promotes the principles on which ASX Listing Rule 12.12 is based.

## 5. PROHIBITED TRADING BY DIRECTOR, KMP, OR CONTROLLED ENTITY

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### 5.1 Trading windows

Unless either prior written clearance has been obtained under **Clause 5.2** below by reason of exceptional circumstances, or an automatic exemption is available under **Clause 5.3** below, each of:

- (a) a Director;
- (b) the Controlled Entity of a Director;
- (c) a KMP;
- (d) the Controlled Entity of a KMP,

(each of (a), (b), (c) and (d) above being a "**Prohibited Person**")

- (i) must not trade on-market a Primary Share; or
- (ii) must not enter into an option or other arrangement the predominant purpose of which is that the Prohibited Person and a person other than Primary are entitled to buy or sell to each other any type of Primary Securities; or
- (iii) must not exercise an option or entitlement referred to in para (ii) above; or
- (iv) must not buy or sell any type of Primary Securities as a result of the exercise, by the Prohibited Person or by the person other than Primary, of an option or entitlement referred to in para (ii) above; or
- (v) must not enter into a hedging arrangement, or deal in a derivative, or enter into other arrangement which varies the economic risk related to any type of Primary Securities;

**except** during the following periods in each year (each a "**trading window**"):

- A. the period commencing at market open on the first Trading Day after the day of the release to the market by the ASX of Primary's Appendix 4D (half-year report) and ending at market close on the day four weeks after the first Trading Day after the day on which the Appendix 4D is released (or, if the market is closed on that day, the last preceding day on which the market is open);

- B. the period commencing at market open on the first Trading Day after the release to the market by the ASX of Primary's Appendix 4E (preliminary final report) and ending at market close on the day four weeks after the first Trading Day after the day on which the Appendix 4E is released (or, if the market is closed on that day, the last preceding day on which the market is open);
- C. the period commencing at market open on the first Trading Day after the day on which Primary's Annual General Meeting concludes and ending at market close on the day four weeks after the first Trading Day after the day on which that Annual General Meeting concludes;
- D. the duration of the offer period for an offer of securities made pursuant to a prospectus or cleansing statement; and
- E. any other period declared by the Board in its absolute discretion to be a trading window.

Any time outside a trading window is a "closed period" (see the definition in clause 2).

The following is a diagrammatic representation of a calendar year, setting out approximate trading windows and closed periods. It is included in this document for the assistance of users and it does not affect the interpretation of any written parts of this document.

Closed period	Trading window	Closed period	Trading window	Closed period	Trading window	Closed period
1 Jan App 4D	4 weeks	App 4E	4 weeks	AGM	4 weeks	31 Dec



**5.2 Prior written clearance, where exceptional circumstances, to trade during closed period**

The prohibition in **Clause 5.1** above does not apply if, prior to effecting the trade or dealing (or entry or exercise, as the case requires) during a closed period, the Prohibited Person has received written clearance from "the designated decision-maker". The "exceptional circumstances" under which such clearance may be given, the identity of "the designated decision-maker", and the procedure for obtaining such clearance, are as follows:

- (a) "exceptional circumstances" are:
  - (i) where the Prohibited Person is in severe financial hardship; or
  - (ii) where the Prohibited Person has a pressing financial commitment that cannot reasonably be satisfied otherwise than by selling the Primary Securities; or

- (iii) where a party, who is at arms'-length to the Prohibited Person, is exercising contractual rights to require the Prohibited Person to buy or sell Primary Securities; or
  - (iv) any other circumstances that the designated decision-maker deems should be treated as "exceptional circumstances".
- (b) **"the designated decision-maker"** is:
- (i) if the Prohibited Person is a Director (other than the Chair) or the Controlled Entity of that Director, then it is the Chair, or if the Chair is not readily available, the chair of the Audit Committee of Primary;
  - (ii) if the Prohibited Person is the Chair or the Controlled Entity of the Chair, then it is the chair of the Audit Committee of Primary, or if the chair of the Audit Committee is not readily available, the Managing Director of Primary;
  - (iii) if the Prohibited Person is a KMP or the Controlled Entity of a KMP, then it is any of the Chair, the Managing Director of Primary, or the Company Secretary.
- (c) the procedure for obtaining clearance is:
- (i) the Prohibited Person must provide to the designated decision-maker all information and documents reasonably necessary to fairly present the relevance circumstances that the designated decision-maker may need to make a decision;
  - (ii) the designated decision-maker must take into account all the circumstances of which they are aware;
  - (iii) the designated decision-maker may decide to give clearance on conditions, for a specified period, or in respect of the trading or dealing of a specified number of Primary Securities less than the number for which the Prohibited Person has sought clearance;
  - (iv) if the designated decision-maker decides to give clearance, he or she must record the clearance in writing (electronic or hard copy) and a short summary of its terms and, as soon as practicable, give a copy to the Prohibited Person;
  - (v) the Prohibited Person has clearance to trade or deal (or enter or exercise, as the case requires) during a closed period within the parameters of the decisions made under paras (iii) and (iv) above.

The above procedure does not relieve any person of their obligations to comply with the laws related to insider trading (see section 3 for more detail); the Board does not have the power to exempt anyone from compliance with the law.

### 5.3 Automatic exemptions

A Prohibited Person is automatically exempt from the prohibition in **Clause 5.1** (trading, dealing, entering or exercising during a closed period) in the following circumstances:

- (a) where the Director or the KMP is a trustee, or is a director of a corporate trustee, the trading or dealing (entry or exercise, as the case requires) by that trust is automatically exempt if, both:
  - (i) the Director or the KMP is not a beneficiary of the trust; and

- (ii) any decision to trade or deal (or enter or exercise, as the case requires) during a closed period is taken by the other trustees, the other directors, or by the investment managers, in each case independently of the Director or the KMP;
- (b) if the trading constitutes the acceptance of a market bid (that is, on-market) under a formal takeover bid;
- (c) if the trading constitutes the acceptance of a buy-back of Primary Securities, by Primary, effected on-market;
- (d) trading on-market under an offer or invitation made to all or most of the holders of Primary Shares, such as a rights issue, a security purchase plan, a bonus share plan, a dividend reinvestment plan, or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Directors. This includes decisions relating to whether or not to take up the entitlements and the sale of the entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (e) any dealing in Primary Securities (eg. the making of offers, accepting of rights, the granting of rights, the exercising of rights) occurring in the course of a KMP participating in an incentive plan for employees of Primary under which awards of equity are made;
- (f) a disposal of Primary Securities on-market that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) if the trading or dealing or exercise falls under para (iii) or (iv) of **Clause 5.1(d)** but the option or arrangement in question was entered into by the Prohibited Person before 1 January 2011.

#### **5.4 Additional limitations on trading windows**

Either the Managing Director of Primary or the Directors may at any time partly or wholly restrict the trading windows in paragraphs A-E inclusive of **Clause 5.1**, during which restrictions all of the provisions of **Sections 4 to 9** of this document apply as if each additional restriction were a closed period. In exercising his or their discretion to impose such additional restrictions, the Managing Director or the Directors must take into account, among other things:

- (a) whether Primary is considering matters which are subject to Listing Rule 3.1A; and
- (b) whether by communicating the restriction of a trading window there is an increased risk of loss of confidentiality of information.

## **6. EXAMPLES OF UNRESTRICTED TRADING**

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### **6.1 Lawful trading unrestricted except as limited by this document**

If a Prohibited Person is, in the circumstances at the time, both:

- (a) not prevented from dealing in a type of Primary Securities by reason of the insider trading prohibitions (summarised in **Section 3** above); and
- (b) not prohibited from dealing in a type of Primary Securities by any provision of this document;

then the Prohibited Person may deal (enter or exercise, as the case requires) in that type of Primary Securities.

## 6.2 Examples

Without limiting the generality of **Clause 6.1**, the following are just a few examples of dealings in a type of Primary Securities that, subject to compliance with the insider trading prohibitions, are unrestricted:

- (a) any trading in any type of Primary Securities by a Prohibited Person on-market, if done within a trading window;
- (b) any trading in any type of Primary Securities on-market by a person who is not a Prohibited Person, whether within a trading window or not, for example:
  - (i) an Employee who is neither a Director nor a KMP; or
  - (ii) an individual who, though a director of a Subsidiary, is neither a Director (of Primary) nor a KMP; or
  - (iii) a company of which the Director or the KMP is a director or shareholder if that company is not a Controlled Entity of the Director or the KMP;
- (c) any dealing by a Prohibited Person in any type of Primary Securities, whether done within a trading window or not, if done off-market (which includes not only off-market transfers by a Prohibited Person to any person (or vice versa) but also the Prohibited Person taking up Primary Shares under a dividend reinvestment plan, a bonus share plan, a rights issue, or an entitlement issue) (as each is done off-market), but the particular types of off-market dealings in paras (ii) to (v) of Clause 5.1(d) are not unrestricted (that is, they are prohibited unless given written clearance under Clause 5.2 or automatically exempt under Clause 5.3);
- (d) the exercise of a Primary Option (because this is always done off-market) (but it should be noted that any subsequent trading by the Prohibited Person on-market of the new Primary Share that is issued, if done outside a trading window, would have to satisfy either **Clause 5.2 or 5.3**);
- (e) acceptance by the Prohibited Person of an off-market bid under a formal takeover bid relating to any type of Primary Securities.

## 7. RESPONSIBILITY OF THOSE TRADING

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### 7.1 Responsibility of each person dealing

At all times it is the responsibility of any person dealing in any type of Primary Securities:

- (a) to ensure that the dealing in Primary Securities does not constitute insider trading; and
- (b) to consider the proposed dealing in any type of Primary Securities in the context of, first, the need to preserve the reputation and integrity of each of Primary and the Directors and, second, that the dealing in any type of Primary Securities is not only fair but seen to be fair.

### 7.2 Primary not liable

The terms of this document, and actions taken by any person under or in reliance on it, including:

- (a) trading by any person within a trading window; or

- (b) trading by any person outside a trading window in the belief that there is an automatic exemption available; or
- (c) trading by any person outside a trading window on the basis of a prior written clearance; or
- (d) discussion by any person with any individual who may be an officer of Primary, whether a designated decision-maker or not, in relation to any proposed trading by that person;

does not constitute approval by or on behalf of Primary of the relevant dealing in any type of Primary Securities, and Primary is not liable to the person so trading in connection with any such trading.

### **7.3 Disclosure by Directors of information (LR 3.19A)**

Each Director must (in accordance with arrangements between the Director and Primary) disclose to the Company Secretary all the information required to enable Primary to give the ASX a completed Appendix 3Y no more than 5 business days after any change in the notifiable interest of the Director (as defined in the ASX Listing Rules) as required by Listing Rule 3.19A.

## **8. APPROVAL OF THIS DOCUMENT**

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The current version of this document was approved by the Directors of Primary on 19 May 2016. If the Directors of Primary make a material change to this document then the amended document will be announced to the ASX within 5 business days of the material change taking effect.

### **Version History**

Version	Date
1.0	6 January 2011
2.0	29 July 2016 (approved 19 May 2016)