



# Share Trading Policy

**Ellex Medical Lasers Limited**

ACN 007 702 927

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# 1. Introduction and purpose

This document sets out the policy covering restrictions on dealing in securities of Ellex Medical Lasers Limited (Ellex).

If you do not understand any part of this policy or the summary of law, or how it applies to you, you should raise the matter with your manager or the Company Secretary before dealing with any securities covered by this policy.

# 2. Employees and others covered by this policy

This policy imposes basic trading restrictions on all employees and directors of Ellex (including, but not limited to, all “key management personnel” of Ellex, as that term is defined in the ASX Listing Rules). This policy also imposes additional trading obligations on the directors of Ellex.

# 3. Securities covered by this policy

a) This policy applies to trading in all Ellex securities – this is a very broad concept and includes the following types of securities of Ellex:

- shares and options;
- debentures (including bonds and notes);
- interests in managed investment schemes, trusts and other financial products; and
- derivatives of any of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise.

“Trading” includes:

- acquiring or disposing Ellex Securities on market or through an off market transaction;
- acquiring or disposing of Ellex Securities in connection with margin lending or other security arrangements; and
- stock lending arrangements affecting Ellex Securities.

b) The prohibition on insider trading also applies to securities issued by another company if you have inside information (i.e. information which is not publicly known) about that company or entity – see paragraph 8(b). For this purpose “securities” includes the same range of shares, options, debentures, interests and derivatives as listed in paragraph 3(a).

## 4. Insider trading laws

- a) If you have inside information which is not publicly known, it is a criminal offence for you to:
- trade in securities;
  - advise or procure another person to trade in securities; or
  - pass on inside information to someone else – including colleagues, family or friends – knowing (or where you should have reasonably known) that the other person will use that information to trade in, or procure someone else to trade in, securities.
- b) This offence, called “insider trading”, can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or Ellex, for any loss suffered as a result of illegal trading.

## 5. Confidential information

Related to the above, you also have a duty of confidentiality to Ellex. You must not reveal any confidential information concerning Ellex, use that information in any way which may injure or cause loss to Ellex, or use that confidential information to gain an advantage for yourself.

## 6. What is “Inside Information”?

- a) “Inside information” is information that:
- is not generally available; and
  - if it were generally available, it would – or would be likely to – influence investors in deciding whether to buy or sell Ellex Securities.
- b) It does not matter how you come to know the inside information.
- c) The financial impact of the information is important but strategic and other implications can be equally as important in determining whether information is inside information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including Ellex) and information which is insufficiently definite to warrant disclosure to the public.

## 7. What are some examples of inside information?

The following list is illustrative only and is not exhaustive. Inside information could include:

- a) a possible acquisition or sale of any assets or business by Ellex;
- b) the financial performance of Ellex against its budget or forecasts;
- c) senior management or board changes;
- d) a proposed dividend;
- e) a possible change in Ellex capital structure; or
- f) any possible claim against Ellex or other unexpected liability.

## 8. Insider trading is prohibited at all times

- a) If you possess inside information, you must not buy or sell Ellex Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how you learn of the information.
- b) The prohibition on insider trading is not limited to information concerning Ellex entities or to dealing in Ellex Securities.

If you have inside information about another company or entity you must not deal in securities of that company or entity.

## 9. Restrictions on trading by all employees of Ellex including directors

In addition to the general trading restrictions set out in this Policy, additional restrictions on trading in Ellex Securities apply.

### **Closed Periods**

Given the heightened risk of actual or perceived insider trading, in general, employees and directors of Ellex must not trade in Ellex Securities:

- between July 1 and one trading day following the announcement of the full-year results; and
- between January 1 and one trading day following the announcement of the half-year results (together, Closed Periods).

Trading during Closed Periods may only be permitted with prior written approval of the Chairman (or, in the case of the Chairman, with the approval of the Chair of the Audit Committee), where there are exceptional circumstances. Where such approval is obtained, trading must occur within 7 days.

## 10. Additional obligations on directors who trade

### **Clearance outside of Closed Periods**

Before trading in Ellex securities during periods outside of the Closed Periods, the Directors of Ellex must:

- advise the Chairman of the Board (or, in the case of the Chairman, the Chair of the Audit Committee) in writing of their intentions to trade in Ellex Securities;
- any trading must occur within 7 days;
- following trading, Directors of Ellex who trade in Ellex Securities, must provide details of the trading to the Company Secretary within 3 days.

## 11. Excluded trading

The Company has determined that the following trading is not subject to this Policy (other than the prohibition with regard to insider trading, which applies in all circumstances):

- a) Where the trading results in no change in beneficial interest in the securities, for example transfer of securities already held into a superannuation fund.
- b) Where trading occurs via investments in a fund or other scheme (other than a scheme only investing in the securities of the Company) where the investment decisions are exercised by a third party.
- c) Where the trading occurs under an offer to all or most of the security holders of the Company, for example during a takeover offer, or under an offer or invitation made to all or most of the security holders, such as a bonus issue, 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.
- d) Where a disposal of securities of the Company occurs as a result of a secured lender exercising their rights, for example under a margin lending arrangement (please note that prior approval must be obtained, via the Chief Financial Officer and Company Secretary, before entering into an agreement which provides a lender with rights over employee's interests in the Company's securities).

## 12. Exceptional circumstances

In certain exceptional circumstances, employees and directors who are not in possession of inside information in relation to the Company, may be given prior written clearance to sell or otherwise dispose of the securities of the Company during a prohibited period. Examples of these exceptional circumstances are:

- where a person is in severe financial hardship, for example if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the securities of the Company; and
- where a person is required by court order, or there are court enforceable undertakings, for example in a bona fide family settlement, to transfer or sell the securities or there is some other overriding legal or regulatory requirement to do so.

In such cases, employees and directors are required to seek the prior approval of the Chief Financial Officer and Company Secretary who may approve the transaction or, in certain circumstances, will seek approval from the Chief Executive Officer and/or the Board.

The prior written clearance, which may be provided electronically via email, must specify how many days are available for trading once clearance has been provided.

## 13. Breaches of policy

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

## 14. Amendment of policy

This policy cannot be amended without the approval of the Ellex Board.

Anyone unsure about whether any potential transactions in contrary to the law, the rules and regulations of the ASX or the share trading policy should contact the Company Secretary.

## 15. Reference material and additional information

- Corporations Act 2001 (Cwlth)
- ASX Listing Rules 12.9 – 12.12
- ASX Guidance Note 27