

MEDIGARD

**TRADING**

**POLICY**

## **1. Purpose of this Policy**

- 1.1 Medigard Limited (“Medigard”) and its Board of Directors encourage its directors, employees, contractors and consultants to become shareholders in the Company. It is important, however, to ensure that any trading in the Company’s shares by people involved in the Company do not reflect badly on the Company by a dealing at inappropriate times and circumstances.
- 1.2 The purpose of this Trading Policy (“Policy”) is to set out the standards and policies Medigard expects of all those who work for the Company when dealing in Medigard securities.
- 1.3 It is noted that the Directors have previously signed and are bound by a separate Corporate Ethics Policy which deals, amongst other things, with Directors trading in Medigard securities. In addition, Directors, employees and contractors are bound by the Company’s Code of Conduct which prohibits, amongst other things, taking advantage of information and acting unethically.

## **2. Obligations of the Policy**

### **General**

This policy applies to all Directors, employees, contractors and consultants engaged by Medigard. Directors, employees, contractors and consultants will abide by the Policy in both letter and spirit. Failure to adhere to the Policy will be viewed by the Company most seriously and may result in disciplinary action. Inappropriate trading may also bring criminal and civil penalties on the Company and the person involved.

### **Insider Trading**

- 2.1 Every Director, employee, contractor and consultant must abide by the prohibitions on insider trading as set out in the Corporations Act. For abundant clarity, the Corporations Act forbids persons dealing directly or indirectly in a company’s securities if, at any time, they are in possession of inside information about the company. Inside information is information not generally available to the public but is information that could reasonably be expected to have a material effect on the price or value of a company’s securities. The test for material effect is said to be likely to influence persons who commonly invest in securities to subscribe, buy or sell the securities.

## **Dealing and Communication**

2.2 A Director, employee, contractor or consultant in possession of inside information will not deal in the Company's securities either in his or her own name or any other name and will not communicate the inside information to other persons not already in receipt of that information for the purposes of or with the possible result that the information will be used in dealing in the Company's securities.

## **Trading Windows**

2.3 Notwithstanding anything to the contrary in this Policy but subject to the provisions Clause 2.4, any Director, employee, contractor or consultant may only trade in the Company's securities outside the following closed periods called "Black Out Periods":

- (a) in the period from the end of the relevant financial reporting period until the preliminary announcement of the half yearly or annual results. For abundant clarity that means from 1 January until publication of the Half Yearly Report Appendix 4D and from 1 July until publication of the Preliminary Final Report Appendix 4E;
- (b) in the period two weeks before the release of any regular trading update; or
- (c) at such other times as the Board of Directors determine.

Trading in the Company's securities during the above specified Black Out Periods is prohibited.

Trading in financial products issued or created over or in respect of the Company's securities (so called derivative products) is also prohibited during the specified Black Out Periods.

No trading in the Company's securities will be permitted that is not subject to this Trading Policy.

## **Trading with Permission During Black Out Periods**

2.4 Notwithstanding the provisions of Clause 2.3, if there are exceptional circumstances and the person declares that they do not possess any inside information then approval may be given by the Chairman in his or her reasonable discretion to allow a person to trade the Company's securities in a Black Out Period. Exceptional circumstances shall mean:

- (a) severe financial hardship;
- (b) family matters including divorce or separation settlements; or
- (c) such other reason as the Chairman determines consistent with the intent of this Trading Policy.

The procedures detailed in Clause 3 will apply to this clause 2.4.

### **3. Notification Procedures**

#### **Intent to Trade**

3.1 A Director, employee, contractor or consultant wishing to trade in the Company's securities must give written notification to the Chairman (or in his absence another director) of his or her intended trade. The notification must detail the number of securities, the nature of the trade (sale, purchase or subscription) and the proposed date of the transaction. The notification must be provided no later than twenty-four hours prior to trading. The Chairman will determine if the requested trade is in accordance with the law and this policy. The Chairman will also consider the restrictions as to trading windows and other prohibitions concerning dealings in the Company's securities. Should it be the Chairman who wishes to trade in the Company's securities, then written notification must be provided to the Chairman of the Company's Audit and Risk Committee. The same terms and conditions as outlined in this Clause 3 will apply to any such trade.

#### **Determination**

3.2 Insofar as is possible, the Chairman will make an immediate determination and provide written notification to the person wishing to trade of his or her decision. That decision must not be unreasonable. If applicable, the decision will detail the duration of any prior clearance to trade in exceptional circumstances during a prohibited period.

#### **Notification of Executed Trade**

3.3 Once a trade has been completed, the Director, employee, contractor or consultant must notify the Company Secretary of that trade such notification to occur within twenty four hours of the time of the trade.

### **4. Trading not subject to this Policy**

Where a Director, employee, consultant or contractor proposes to acquire securities in the Company under:

- (i) a bonus or rights issue made to all shareholders;
- (ii) a dividend reinvestment or top up plan available to all shareholders; or
- (iii) an employee share plan

or a Director, employee, consultant or contractor proposes to dispose of securities in the Company under any takeover offer or merger

then this Policy does not apply.

## **5. Review of this Policy**

The Company will review and, if appropriate, amend this Policy from time to time to ensure it remains consistent with the Company's duties and values and with all relevant legislation and regulation.

## **6. Publication**

A copy of this Policy is available at the offices of the Company and will be forwarded to shareholders if requested. Any material changes to this Policy will be announced to the market.

**Revised 28 December, 2010.**