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20 August 2018

The Manager  
Company Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

**Policy for Dealing in Securities – Updates**

Healthscope Limited (ASX: HSO) advises that it has amended its Policy for Dealing in Securities, effective today.

Healthscope Limited attaches its updated policy in accordance with ASX Listing Rule 12.10.

The Policy for Dealing with Securities is also available on Healthscope's website under "About" and "Corporate Governance" at [www.healthscope.com.au](http://www.healthscope.com.au).

Yours sincerely,

Ingrid Player  
**Company Secretary**



# Healthscope

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## Policy for Dealing in Securities

Healthscope Limited  
ACN 144 840 639  
**(Company)**  
**20 August 2018**

## 1. Introduction

The purpose of this Policy is to:

- ensure that public confidence is maintained in the reputation of Healthscope Limited (**Company**) and its related bodies corporate (collectively, **the Group**), the directors and employees of the Group and in the trading of the Company's securities;
- establish procedures for the buying and selling of securities that protect the Company and the Group's directors and employees against the misuse of unpublished material price sensitive information; and
- explain the types of conduct in dealing in securities that are prohibited under the *Corporations Act 2001* (Cth) (**Corporations Act**), such as trading on inside information.

The Company aims to achieve the highest possible standards of corporate conduct and governance. The Board of directors considers that compliance with this Policy is essential to ensure that the highest standards of conduct are being met by all directors and employees.

Any non-compliance with this Policy will be regarded as serious misconduct which may entitle the Company to take corrective disciplinary action.

Attachment 1 describes how the insider trading rules apply and contains definitions of the key terms used in this Policy.

## 2. Who does this Policy apply to?

This Policy applies to all employees and directors of the Group.

Certain aspects of this Policy also apply to **Connected Persons** of employees and directors meaning, in relation to an employee and director:

- (a) a family member who may be expected to influence, or be influenced by, the employee or director in his or her dealings with the Company or Company securities (this may include the employee's or director's spouse, partner and children, the children of the employee's or director's partner, or dependants of the employee or director or the employee's or director's partner); and
- (b) a company or any other entity which the employee or director has an ability to control.

Employees and directors must take appropriate steps to ensure that their Connected Persons do not breach this Policy.

## 3. What is the insider trading restriction?

### 3.1 No trading where in possession of inside information

Employees and directors and their Connected Persons must not deal in securities where:

- they are aware of price sensitive or 'inside' information; or
- the Company has notified employees or directors that they (or their Connected Persons) must not deal in securities (either for a specified period, or until the Company gives further notice).

Attachment 1 sets out further guidance as to what constitutes 'inside' or price sensitive information.

### 3.2 The Front Page Test

In addition to your legal obligations, you must also protect the Company and its reputation in the marketplace. Therefore, in addition to considering whether you have price-sensitive information, you should also consider whether your proposed conduct could create a negative market perception (for yourself or for the Company).

A useful question to ask yourself is:

*If the market was aware of all the current circumstances, could my proposed dealing be perceived by the market as me (or my Connected Persons) taking advantage of my position in an inappropriate way? How would it look if the transaction was reported on the front page of the newspaper?*

If you have any perception concerns, you should consult the Company Secretary.

If approval is required for a dealing under this Policy, you should note any perception concerns in your relevant approval request. Approval will not be granted where the dealing would not satisfy the Front Page Test.

## 4. Who has additional trading restrictions under this Policy?

Additional trading restrictions (set out below) are imposed on:

- directors of the Company;
- officers and other direct reports to the Chief Executive Officer (**Senior Leadership Team**); and/or
- all other employees who have been advised by the Company Secretary that additional restrictions under this Policy apply to them,

collectively referred to as "**Restricted Persons**" in this Policy.

### 4.1 No dealing in blackout periods

Restricted Persons and their Connected Persons must not deal in the Company's securities during any of the following blackout periods:

- the period from the close of trading on the ASX on 30 June each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement to ASX of the preliminary final statement or full year results;
- the period from the close of trading on the ASX on 31 December each year, or if that date is not a trading day, the last trading day before that day, until the day following the announcement of the half yearly results; and
- any other period that the Board specifies from time to time.

For the avoidance of doubt, during the above periods Restricted Persons and their Connected Persons must not deal in financial products issued or created over or in respect of the Company's securities (for example, exchange-traded options, contracts for differences and other derivatives).

## 4.2 Exceptional circumstances

If a Restricted Person or their Connected Persons needs to deal in securities during a blackout period due to exceptional circumstances and is not in possession of price sensitive information, then the Restricted Person may apply in writing to:

- the Chair of the Board (in the case of a director (other than the Chair of the Board) or a member of the Senior Leadership Team, or one of their Connected Persons); or
- the Chair of the Audit, Risk and Compliance Committee (in the case of the Chair of the Board or one of his or her Connected Persons); or
- the CEO (in the case of other Restricted Persons),

or their delegate (the **approver**) for approval to undertake the dealing.

Exceptional circumstances for these purposes are likely to include severe financial hardship, compulsion by court order or any other circumstance that is deemed exceptional by the approver.

A Restricted Person or their Connected Persons seeking approval to deal under this paragraph must apply in writing to the relevant approver setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason approval to deal is requested. Approval will only be granted if the application is accompanied by sufficient evidence (in the opinion of the approver) that the dealing of the relevant securities is the most reasonable course of action available in the circumstances. The person approving the dealing should consult with members of management where appropriate to determine if there is any reason (legal or reputational) why approval to deal should not be granted.

If approval to deal is granted, the Restricted Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the approval will be 2 business days or such other period specified in the approval.

Unless otherwise specified in the notice, any dealing permitted under this paragraph 4.2 must comply with the other sections of this Policy (to the extent applicable).

## 4.3 Prior approval required for any dealing outside blackout periods

- (a) During any period that is not a trading blackout period under paragraph 4.1, Restricted Persons must, prior to any proposed dealing, notify the Company Secretary and receive written approval for the proposed dealing in the Company's securities (including any proposed dealing by one of their Connected Persons) as follows:
- (1) the Chair of the Board must inform and obtain approval from the Board or the Chair of the Audit, Risk and Compliance Committee before a dealing is undertaken;
  - (2) any other director and member of the Senior Leadership Team must inform and receive approval from the Chair of the Board before a dealing is undertaken; and
  - (3) any other Restricted Person must inform and receive approval from the CEO before a transaction is undertaken.
- (b) A copy of the application for approval is to be provided to the Company Secretary.
- (c) A request for approval to deal will be answered as soon as practical.
- (d) The relevant approver may direct the person who is proposing to deal in the Company's securities not to deal, or impose conditions on the dealing in their discretion, and is not obliged to provide reasons for any direction or condition.
- (e) Following receipt of approval to deal, the approved dealing must occur within 2 business days following approval being granted or such other period specified in the approval. If the dealing is not undertaken within this time, the approval will no longer have effect and new approval will be required.

## 4.4 Confirmation of dealing required

Following any dealing by a Restricted Person or their Connected Persons, the Restricted Person must promptly notify the Company Secretary of the dealing, ideally by close of business on the day of the dealing.

## 5. What other restrictions on dealing apply to Restricted Persons?

### 5.1 Margin lending arrangements

- (a) Any dealing in the Company's securities pursuant to a margin lending arrangement must be conducted in accordance with this Policy. Such dealings would include:
  - (1) entering into a margin lending arrangement in respect of the Company's securities;
  - (2) transferring securities in the Company into an existing margin loan account; and
  - (3) selling securities in the Company to satisfy a call pursuant to a margin loan.
- (b) Restricted Persons must obtain approval in accordance with the procedure set out in paragraphs 4.2 or 4.3 (as applicable) for any proposed dealing in the Company's securities in connection with a margin lending arrangement.
- (c) An approval under paragraph 5.1(b) may be conditional upon such further terms and conditions as the relevant approver sees fit (for example, with regard to the circumstances in which the Company's securities may be sold to satisfy a margin call).

### 5.2 Hedging of Company securities

Hedging of vested and unvested Company securities by a Restricted Person or their Connected Persons is prohibited at all times. Hedging includes entering into transactions in financial products that operate to limit the economic risk associated with holding Company securities.

### 5.3 No short term dealing – buying and selling within 3 month period

Restricted Persons and their Connected Persons must not deal in the Company's securities on a short term trading basis. Short term trading includes buying and selling securities on market within a 3 month period, and entering into other short term dealings (for example, forward contracts).

## 6. Dealings excluded from this Policy

Paragraphs 4.1, 4.3 and 5.3 of this Policy do not apply to:

- (a) participation in an employee, executive or director equity plan operated by the Company. However, where securities in the Company granted under an employee, executive or director equity plan cease to be held under the terms of that plan, any dealings in those securities must only occur in accordance with this Policy;
- (b) the following categories of trades:
  - acquisition of Company securities through a dividend reinvestment plan;
  - acquisition of Company securities through a share purchase plan available to all retail shareholders;
  - acquisition of Company securities through a rights issue; and
  - the disposal of Company securities through the acceptance of a takeover offer, scheme of arrangement or equal access buy-back;
- (c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of Company securities already held into a superannuation fund or trust of which the employee, director or their Connected Person is a beneficiary);

- (d) trading under a pre-approved non discretionary trading plan, where the employee or director did not enter into the plan or amend the plan during a blackout period, the plan does not permit the employee or director to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a blackout period, other than in exceptional circumstances;
- (e) subject to paragraph 5, a disposal of securities of the Company that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- (f) indirect and incidental trading that occurs as a consequence of dealing in units or shares of a managed investment scheme, listed investment company, exchange-traded fund or similar investment vehicle that is managed by a third party and that happens to hold as part of its portfolio securities in the Company.

However, such dealings are **still subject to the insider trading rules** in the Corporations Act and subject to paragraph 3.1 of this Policy. Employees and directors should still consider any legal or reputational issues (and discuss any concerns they have with the Company) before proceeding with the dealing.

## 7. Securities in other companies

While in general employees are free to deal in securities in other listed companies, the insider trading restriction in the Corporations Act applies to dealings not only in the Company's securities but also in those of other listed companies.

If an employee, director or their Connected Person is aware of information in relation to another company that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of securities in that company, they should not deal in the securities of that company.

Employees, directors or their Connected Persons may come into possession of 'inside information' where they are directly involved in client relationship management or negotiating contracts. For example, where a person is aware that the Group is about to sign a major agreement with another company, that person should not buy or sell securities in either the Company or the other company or pass on the information to others who may deal in securities in either the Company or other company.

If you are in any doubt, consult with the Company Secretary.

## 8. Breach

Breaches of the insider trading laws have serious consequences for both the relevant person concerned and the Company. Penalties under the Corporations Act include financial penalties and imprisonment.

Breaches of this Policy are regarded as serious and will be subject to appropriate sanctions.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who breaches this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).

The Company will take a substance over form approach and will have regard to the intent and spirit of this Policy when applying and enforcing it.

## 9. Who to contact?

Any employee or director who has queries about this Policy or is unsure about whether it is acceptable to deal or communicate with others in relation to the Company's securities or other securities, should contact the Company Secretary

## Attachment 1

### 1. How the insider trading rules apply

#### 1.1 Summary of prohibited conduct

The Corporations Act prohibits 'insider trading'.

Under the Corporations Act, a person is prohibited from dealing in securities where:

- (a) the person possesses information which is not generally available to the public;
- (b) a reasonable person would expect that information to have a material effect on the price or value of securities of the relevant entity; and
- (c) the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price or value of the relevant entity's securities.

In addition, a person with inside information must not procure another person to deal in the Company's securities or communicate the information (directly or indirectly) to another person whom the person believes may deal (or procure someone else to deal) in the Company's securities.

The key concepts are discussed in more detail in paragraph 1.2 of this Attachment 1.

#### 1.2 Relevant terms

##### (a) Securities

The definition of securities in the Corporations Act is very broad.

Securities include:

- ordinary shares;
- preference shares;
- options or performance rights;
- debentures; and
- convertible notes.

For the purposes of this Policy, the term 'securities' also extends to financial products issued or created over or in respect of securities issued by the Company (for example, warrants and other derivative products), whether or not the financial products are created by the Company or by third parties.

##### (b) Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering into agreements to buy or sell securities.

Under this Policy and the law, the prohibition on dealing means that employees, directors or their Connected Persons are not permitted to:

- buy or sell; or
- enter into an agreement to subscribe for, buy or sell securities,

where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

## 1.2 Relevant terms (continued)

If an employee, director or their Connected Person possesses price sensitive information that is not generally available, the employee, director or their Connected Person is also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person whom the employee, director or their Connected Person believes is likely to deal in, or procure another person to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging an act or omission.

For example, an employee cannot ask or encourage anyone, including family members, friends, associates or others, to deal in securities when the employee possesses price sensitive information, and employee should not communicate price sensitive information.

If an employee, director or their Connected Person accidentally gives somebody 'inside information' when he or she should not have, the employee, director or their Connected Person must immediately tell that person that it is 'inside information' and warn them against trading in the Company's securities, getting others to trade in the Company's securities, or communicating the information to others.

### (c) Price sensitive or 'inside' information

Information is 'inside' or 'price sensitive' if it is not generally available, but which, if it were generally available, a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of a security.

For the purposes of the insider trading provisions of the Corporations Act, information is defined broadly and includes matters of supposition, matters that are not yet certain and matters relating to a person's intentions.

### (d) Information that is generally available

Information is 'generally available' if it:

- (1) consists of readily observable matter;
- (2) has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price or value might be affected by the information and, since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be 'generally available' if it has been released to ASX or published in an annual report or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (3) consists of deductions, conclusions or inferences made or drawn from information referred to in paragraph 1.2(d)(1) of this Attachment 1 or paragraph 1.2(d)(2) of this Attachment 1, or both.

## 1.2 Relevant terms (continued)

### (e) Material effect on the price of securities

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all information that may be material. However, the following types of information would be likely to be considered to have a material effect on the price of the Company's securities:

- revenue figures;
- profit forecasts;
- unpublished announcements or knowledge of possible regulatory investigation;
- liquidity and cashflow;
- proposed changes in the Company's capital structure, including issues of securities, rights issues and buy backs;
- borrowings;
- major asset purchases and sales;
- impending material mergers, acquisitions, reconstructions, takeovers, etc;
- significant litigation;
- significant changes in operations;
- significant changes in industry;
- new products/services and technology that are material to the Group's business;
- proposed dividends or dividend policies;
- management restructuring or Board changes; and
- new contracts or customers that are material to the Group's business.

## 2. Consequences of breach

Breaches of the insider trading laws have serious consequences for both the relevant person concerned and the Company.

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil liability (substantial fines may be imposed) under Australian law. A person who contravenes or is involved in a contravention of these provisions may also be liable to compensate any person who suffers loss or damage resulting from the conduct. In addition, an actual or suspected breach of the insider trading laws may also give rise to adverse public scrutiny and media comment.

It is therefore important that employees, directors and their Connected Persons adhere to this Policy at all times.

Any person who is suspected of breaching this Policy may be suspended from attending the workplace on full pay pending the outcome of investigations into the alleged breach.

Any person who is proven to have breached this Policy could face disciplinary action (including forfeiture of securities and/or suspension or termination of employment).