

**ASX ANNOUNCEMENT**

**27 August 2020**

**Securities Trading Policy**

Capitol Health Limited (**Capitol** or the **Company**) (ASX: CAJ) provides the attached revised Securities Trading Policy. Also note that a copy is available on the Company's website.

A copy is being lodged with ASX in accordance with ASX Listing Rule 12.10.

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This announcement is authorised for release to the market by the Board of Directors of Capitol Health Limited.

**About Capitol Health**

Capitol Health is a leading provider of diagnostic imaging and related services to the Australian healthcare market. Headquartered in Melbourne, Victoria, the Company owns and operates clinics throughout Victoria, Tasmania, and Western Australia. The Company's operational focus is on delivering a community-based infrastructure for radiologists and related medical practitioners to deliver optimal, efficient, accurate healthcare service outcomes for patients.

Capitol also has an investment in diagnostic imaging artificial intelligence through Enlitic Inc in the US.

Capitol Health Limited

ACN 117 391 812

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## Securities Trading Policy

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## 1. Purpose

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- 1.1 This Securities Trading Policy (**Policy**) sets out the requirements for directors, employees, consultants and contractors of Capitol Health Limited (**Capitol Health** or **Company**) and its related entities in relation to dealing in securities of Capitol Health Limited or any other securities which may be affected by this policy or the law.
- 1.2 This Policy has important implications for all directors, officers and employees. If you do not understand the implications of this Policy or how it applies to you, you should raise the matter with the Chief Executive Officer or the Company Secretary before trading in any securities which may be affected by this Policy or the law.
- 1.3 This Policy only provides a summary of applicable legal and regulatory issues which are complex and should therefore only be used as a general guide and not as legal advice

## 2. Insider Trading

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- 2.1 The Corporations Act 2001 prohibits Insider Trading.
- 2.2 If a person has information about securities and the person knows, or ought reasonably to know, that the information is inside information, it is illegal for the person to:
  - (a) deal in the securities;
  - (b) procure another person to deal in the securities; or
  - (c) give the information to another person (also known as “tipping”) who the person knows, or ought reasonably to know, is likely to:
    - (i) deal in the securities; or
    - (ii) procure someone else to deal in the securities.
- 2.3 The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee incentive scheme (whether directly or through the exercise of options).
- 2.4 Insider trading is a criminal offence. It is punishable by substantial fines and/or imprisonment or both. A company may also be liable if an employee or director engages in insider trading.
- 2.5 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.

## 3. What is Insider Information?

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- 3.1 Insider information is information that:
  - (a) is not generally available; and
  - (b) if it were generally available, would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the relevant securities.

3.2 Information is generally available if it:

- (a) is readily observable;
- (b) has been made known in a manner likely to bring it to the attention of persons who commonly invest in securities of the relevant type and a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under paragraphs above.

3.3 It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

## **4. The Trading Policy**

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4.1 As a general rule, directors, officers and employees must not:

- (a) buy, sell or otherwise deal in Capitol Health securities whilst in possession of price sensitive information;
- (b) advise, procure or encourage any other person to buy, sell or otherwise deal in Capitol Health securities whilst in possession of price sensitive information;
- (c) pass on information to any person, if you know or ought to reasonably know that the person may use the information to buy, sell or otherwise deal (or procure another person to buy, sell or otherwise deal) in Capitol Health securities.
- (d) engage in short-term trading (less than one month), or short selling of the Company's securities at any time;
- (e) enter into margin lending or other secured financing arrangements in respect of the Company's securities; or
- (f) enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under an equity-based remuneration scheme, or otherwise awarded, or which will be offered by the Company in the future (e.g. hedging).

## **5. Company Securities**

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5.1 An employee must not deal in Company securities without **first**:

- (a) completing and forwarding a Notification Form to Deal in Company securities [Attachment A] with part A duly completed to the Notification Officer [refer to Attachment B]; and
- (b) confirming with the Notification Officer that he or she is prepared to complete Part B of the Notification Form to deal in Company securities.

5.2 A director must not deal in Company securities without first consulting and confirming with the Notification Officer [refer to Attachment B].

5.3 Employees or potential insiders are to obtain prior written approval from the Chief Executive Officer or in his or her absence, the Company Secretary, at least one day prior to the purchase / sale of securities in Capitol Health held by the employee.

5.4 A director, officer or employee shall not trade securities in Capitol Health if the director, officer or employee is aware of any information concerning Capitol Health which has not been made public and/or which if made public, a reasonable person would expect to have a material impact

on the price or value of Capitol Health securities. Employees must inform the Chief Executive Officer of all market sensitive (material) information immediately after they become aware of it.

- 5.5 If the Chair of the Board has received a request for either a sale or purchase of securities in Capitol Health he is required to confirm in writing with the Chief Executive Officer or in his or her absence the Company Secretary that there is no market sensitive information that has not been released.
- 5.6 Unless otherwise advised by the Chair of the Board or the Chief Executive Officer (as required), where such approval is obtained, trading must occur within seven (7) business days.
- 5.7 Dealing during a Trading Period is subject to the prohibition that an employee and director must not actively deal in Company securities with a view to deriving profit-related income from that activity. "Actively Deal" for this purpose means to deal in Company securities in a manner which involves frequent and regular trading activity.

## **6. Closed Periods**

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- 6.1 Subject to clauses 5.2 and 5.9, employees and directors are permitted to deal in Company securities throughout the year except during the following periods:
- (a) 1 July (inclusive) and ending at the end of the day of the announcement of the annual results; and
  - (b) 1 January (inclusive) and ending at the end of the day of the announcement of the half yearly results.

Each period is referred to as a Non-Trading Period. The period where dealing is permitted is called the Trading Period.

## **7. Definition**

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- 7.1 This Policy extends to directors, officers, employees or potential insiders (including such parties as advisors and consultants who have access to or are involved with confidential information). This includes a director, officer or employee of Capitol Health, the director's, officer's or employee's immediate family (includes a person or persons under the control or influence of the director, officer or employee) and related entities controlled by the director, officer or employee or members of the immediate family.

## **8. Exceptional Circumstances in which Trading in a Closed Period is Permitted**

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- 8.1 For the purpose of this Policy, the following dealing in securities is permitted during a closed period:
- (a) transfers of securities where the beneficial ownership of the securities does not change, e.g. the transfer of securities already held into a superannuation fund where the person is the major beneficiary;
  - (b) the exercise of an option or a right, or the conversion of a convertible security, where the final date to exercise the option or right, or convert the security, falls during a prohibited

- period;
- (c) undertakings to accept, or acceptance of, takeover offers;
  - (d) trading under an offer or invitation made to all or most of the Company's security holders such as a rights issue, security purchase plan, a dividend reinvestment plan or securities buy back.
  - (e) Financial hardship:
    - i) A person may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.
    - ii) In the interests of an expedient and informed determination by the Chair (or all other members of the Board as the context requires), any application for an exemption allowing the sale of Company securities in a Closed Period or a Prohibited Period based on financial hardship must be made in writing stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the person's accountant, bank and other such independent institutions (where applicable).
    - iii) Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.
  - (f) If the person is required by a Court order to transfer or sell securities of the Company. This request will have to be made in writing to the Chairperson and be accompanied by relevant court and / or supporting legal documentation (where applicable).

- 8.2 Persons who are not in the possession of price sensitive information, may be given prior written clearance by the Chairperson to sell or otherwise dispose of Capitol Health securities during a prohibited period, where the person is in severe financial difficulties or other exceptional circumstances determined by the Board, such as required under a court order, in a bona fide family settlement, or some other overriding legal or regulatory requirement to do so.

## **9. Prohibition in Dealing in Financial Products Issued Over Company Securities by Third Parties**

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- 9.1 Employees and directors are not permitted to deal at any time in financial products such as options, warrants futures or other financial products issued over the Company's shares by third parties such as banks and other institutions traded on either ASX markets or any other market. An exception may apply where the Company's shares form a component of a listed portfolio or index product.

## **10. Prohibition on Derivatives and Hedging Arrangements over Company Securities**

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- 10.1 Employees and directors are not permitted to use, at any time, derivatives or hedging arrangements that operate or are intended to limit the economic risk of security holdings over unvested Company securities.
- 10.2 Derivative or hedging arrangements over vested securities by a director will be publicly disclosed by the Company.

## **11. Related Parties and Relevant Interests**

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- 11.1 The restrictions on dealings by an employee or director are equally applicable to any dealings:
- (a) by their spouses or de facto spouses
  - (b) by or on behalf of any dependant under 18 years of age; and
  - (c) any other dealings in which, for the purposes of the Corporations Act, he or she is or is to be treated as interested. For example, if an employee or director is a trustee of a trust and is also a beneficiary of the trust.

## **12. Other Securities**

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- 12.1 A director, officer or employee shall not trade securities of another company where the director, officer or employee is aware:
- (a) non-public information regarding investigations or negotiations being conducted by Capitol Health or any of its related entities into that company; and/or
  - (b) non-public material information of a company in partnership with Capitol Health.

## **13. Employment and Monitoring of Compliance**

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- 13.1 To promote understanding of the insider trading prohibition, related Corporations Act provisions, ASX policy and the Company policy, a copy of this document will be distributed to all employees and directors (present and future). The induction procedures for new employees and directors must require that a copy of this document be provided to each employee and director.

## **14. Breach of Policy**

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- 14.1 Compliance with the Policy set out in this document is mandatory.
- 14.2 A breach of this Policy by a director, officer or employee may lead to disciplinary action. It may also be a breach of the law.
- 14.3 Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both.
- 14.4 Any employee or director who does not comply with this Securities Trading Policy will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.

## **15. ASX Notification for Directors**

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- 15.1 The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.



## **16. Assistance and Additional Information**

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16.1 Any questions about this Policy should be directed to the Company Secretary.

## **17. Approved and Adopted**

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17.1 This Policy was approved and adopted by the Board on 26 August 2020

## ATTACHMENT A - NOTIFICATION FORM TO DEAL IN COMPANY SECURITIES

### PART A: For completion by Employee or Notification Officer

Name of Employee or Notification Officer	
Estimated number of securities to be transacted (ie. number and type of securities)	
Type of Transaction (ie. sale, purchase, subscription, agreement)	
Proposed Date of Transaction	

I confirm that:

- 1.1 I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of the Company's securities;
- 1.2 I am not involved in any short term or speculative trading in Company securities;
- 1.3 I am not hedging the risk of any fluctuation in value of any unvested entitlement in Company securities; and
- 1.4 The transaction in the Company's securities described above does not contravene the rules of the Company concerning dealing in Company securities.

I acknowledge that this approval to trade is valid for only fourteen (14) days from the date indicated below, unless otherwise revoked earlier by notice in writing.

Signed: .....

Dated: .....

### PART B: For Completion by Notification Officer

I confirm that I am not aware of any circumstances pursuant to which the Employee or Designated Officer named above is or is likely to be in possession of unpublished information which, if generally available, might materially affect the price or value of the Company's securities.

Name: .....

Title: .....

Signature: .....

Dated: .....

The completed form is to be sent to the Company Secretary for Board Members and employees.

## ATTACHMENT B - NOTIFICATION OFFICERS

AREA	NOTIFICATION OFFICE (in their absence, their authorized delegate)
Employees	Managing Director (or equivalent)
Non-Executive Directors	Managing Director (or equivalent)
Executive Directors	Chairman / Non-Executive Directors