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iSOFT

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23 December 2010


The Manager
Company Announcements Platform
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

iSOFT Group Limited – Share Trading Policy

Pursuant to Listing Rule 12.9 (effective 1 January 2011), please find attached a copy of iSOFT's Share Trading Policy incorporating the new requirements under the ASX Listing Rules with respect to Securities Trading Policies.

Yours faithfully,



Howard T. Edelman
Company Secretary

iSOFT Group Share Trading Policy

December 2010

iSOFT

iSOFT Group Share Trading Policy

1. Introduction

This document sets out the Company's policy with regard to the sale and purchase of shares in the Company by its directors and employees.

The purpose of this policy is to assist directors and employees to avoid conduct that might be considered to be a criminal act of "insider trading", and to establish appropriate rules for trading in the Company's shares.

For the purposes of this policy, trading in the Company's shares also extends to trading in other securities issued by the Company including options.

The Board takes the matter of the purchase and sale of shares in the Company seriously and expects full compliance with this policy.

2. Who does this policy apply to?

This policy applies to:

- (a) all directors of the Company;
- (b) all members of the Executive Leadership Team;
- (c) all Finance Directors;
- (d) all direct reports to the Chief Executive Officer and Executive Director; and
- (e) any other employees who are likely to receive price sensitive, non-public information in the course of their positions of employment.

3. What is insider trading?

Insider trading is prohibited under the Corporations Act. The key elements that constitute insider trading by any individual are:

- That a person possesses information about the Company which is not generally available to the market. It is important to note that the definition of information is broad enough to include rumours and tips, regardless of their truth.
- That information if it were known in the market would be likely to have a material effect on the share price of the Company. This information is often referred to as being "price sensitive".
- The person uses this price sensitive information to their advantage by trading in the Company's shares or having someone else do so on their behalf. In this way they gain an unfair advantage.
- It is also insider trading if a person passes on price sensitive information to other parties knowing (or where they should have reasonably known) that the other party will use that information to trade in the Company's shares. This includes family members and associates
- Insider trading is a criminal offence under the Corporations Law, punishable by a fines or imprisonment, or both.

4. What sort of information is "price sensitive"?

The sort of information which might affect the Company's share price and which may be regarded as "price sensitive" includes but is not limited to:

- The Company's financial results before these have been published, particularly if they are significantly better or worse than market expectations.
- Any pending material acquisitions or divestments by the Company.

- The threat of any material litigation that may involve the Company.
- Any proposed changes to the composition of the Board or senior management.
- Information on a proposed bonus issue of shares or changes to dividend policies.
- Information of new deals/contracts won, proposals made or negotiations in process.

As well as the prohibitions against insider trading, directors and employees have a common law duty of confidentiality to the Company. Directors and employees must not reveal any confidential information concerning the Company. Directors and employees must not use any of this confidential information in any manner which may injure or cause loss to the Company.

5. Policy for trading in the Company's shares

Directors and employees must not buy or sell shares in the Company when they are in possession of price sensitive information which is not generally available to the market, even if they are not employees listed in section 2.

6. When can you deal in the Company's shares?

Public companies are now required to continuously disclose price sensitive information, so there is no particular period of time in which it can be automatically assumed that it is safe to trade in the Company's shares.

The only permissible time for a director or employee to buy or sell the Company's shares is when he or she is not in possession of price sensitive information.

Without limiting this principle, the following rules have been established to assist directors and employees in fulfilling their obligations:

- Directors and employees must not engage in short term trading, ie the buying and selling of the same parcel of shares (or part thereof) within a three month period, unless a specific exemption is granted.
- There is an absolute prohibition on any trading of shares except for a four week period after the announcement of the half year and full year results and in the four week period after the Annual General Meeting. These periods are referred to as "Open Periods".
- Any director or employee must first comply with the Company's Share Trading procedures by submitting the Share Trading Notification Form confirming that they are not in possession of any price sensitive information to the Company Secretary and/or Chairman (or, in the case of the Chairman, confirmation should be provided to the Board via Company Secretary). In each case, the notification should contain details of the number of shares involved. The Company Secretary and/or Chairman (or the Board, as the case may be) has discretion to request that the director or employee not to trade if he reasonably suspects that the person may have price sensitive information. Refer to Share Trading Notification Form.
- Any approval to trade will remain current for the remaining portion of the Open Period, unless otherwise notified.
- Given the requirement under ASX Listing Rule 3.19A for the Company to notify the ASX within 5 days of any change of any director's holding in iSOFT shares, directors must notify ISOFT of the details of any completed transaction within two days of the transaction.

7. Exceptional Circumstances

It is recognised that individual circumstances may require a person to dispose of shares outside the Open Period. In exceptional circumstances, and subject always to compliance with the law, directors and employees are required to seek the prior written approval of the relevant Designated Authorising Officer as set out below.

Designated Authorising Officers

- (i) **Company Secretary:** employees are required to obtain the approval of the Company Secretary who may approve the transaction or, in certain circumstances, will seek approval from the Chairman of the Board.
- (ii) **Chairman of the Board:** directors must obtain the approval of the Chairman of the Board, who will subsequently notify approvals to the Board.
- (iii) **Chairman of the Audit & Compliance Committee:** in the case of the Chairman of the Board, he or she must obtain the approval of the Chairman of the Audit & Compliance Committee, who will subsequently notify approvals to the Board.

Exceptional circumstances will be assessed on a case by case basis, and may include -

- (a) severe financial hardship where the person has a pressing financial commitment that cannot reasonably be satisfied other than by selling the relevant securities; and
- (b) a requirement by a court order or court enforceable undertaking, for example a bona fide family settlement.

Any approval given must be acted on within 5 Business Days of receipt and may be provided by electronic delivery via email.

8. Trading Excluded from this Policy

This policy does not preclude directors or employees from:

- (i) undertaking to accept, or accept, a takeover offer;
- (ii) participating in an offer or invitation made to all holders, including a rights issue, equal access buy-back, share purchase plan or dividend reinvestment plan, where the timing and structure of the offer has been approved by the Board;
- (iii) transferring securities already held in a superannuation fund in which the restricted person is a beneficiary;
- (iv) investing in, or trade in units of, a fund or other scheme (other than a scheme investing only in iSOFT securities) where the assets of the fund or scheme are invested at the discretion of a third party; or
- (v) exercising (but not dealing with the securities following exercise) an option or right under an employee incentive scheme or converting a convertible security.

9. Margin Loans

- a) Before any Director or employee covered by this policy enters into a loan arrangement whereby the Company's securities are mortgaged, provided as security, lent or charged to a financier, they must notify the Company Secretary or Chairman (or in the case of the Chairman, the Chair of the Audit & Compliance Committee).
- b) To the extent practicable, consent should be sought as detailed in section 7 where a financier demands payment under a margin loan and there is a risk that the demand will not be able to be satisfied without the disposal of the Company's shares.

10. Adherence and records

- a) Directors and employees are required to adhere to this policy.
- b) The Company will retain a Securities Transactions Policies Register and keep a permanent record of all transactions which are subject to this policy.

11. Further clarification

If any further clarification is required on any aspect of this policy, guidance should be sought from the Company Secretary.