

5 January 2011

Company Announcements Office
Australian Securities Exchange

PRO MEDICUS LIMITED (PME) – SHARE TRADING POLICY

Please find attached a copy of the PME Share Trading Policy, lodged with the ASX in accordance with ASX Listing Rule 12.9 (effective 1 January 2011).

Yours faithfully



Clayton Hatch
Company Secretary

PRO MEDICUS LIMITED (PME) – SHARE TRADING POLICY

1. INTRODUCTION AND PURPOSE

This document (**Policy**) sets out when Dealings in PME Securities by PME Directors and PME Employees may occur, and the procedures that must be followed for any such Dealings.

The objectives of this Policy are to:

- a) assist PME Directors and PME Employees comply with the insider trading provisions of the *Corporations Act*;
- b) protect the reputation of the PME Group; and
- c) minimise the potential for any perception that PME Directors or PME Employees may be Dealing while in possession of inside information.

This Policy uses defined terms which are set out in section 14. These are important to the operation of the Policy, in particular the meaning of "Dealing" which is broadly defined.

This Policy is effective as from 5 January 2011.

2. WHO IS COVERED BY THIS POLICY?

This Policy applies to all PME Directors and PME Employees.

3. SECURITIES COVERED BY THIS POLICY

- a) This Policy applies to Dealings and proposed Dealings in all "**PME Securities**", being:-
 - shares issued in the capital of any entity in PME Group;
 - securities (as that term is defined in section 92 of the *Corporations Act*) issued by any entity in PME Group, including options over any shares; and
 - any derivatives of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise.
- b) Consistent with the purpose of this Policy (per section 1), the prohibition on insider trading imposed under this Policy (see sections 4 to 7 inclusive) also applies to Dealings and proposed Dealings in any securities issued by another company or entity if and to the extent you have Inside Information about that company or entity.

4. INSIDER TRADING LAWS

If you have "**Inside Information**" (see section 5) relating to a company or entity which is not publicly known, it is an offence in breach of the *Corporations Act* for you to Deal in the securities of that company or entity.

This offence, called "insider trading", can subject you to criminal liability including large fines and/or imprisonment, as well as civil liability, which may result in you being sued by another party or PME, for any loss suffered as a result of the unlawful Dealing.

If you have Inside Information concerning any company or entity (irrespective of whether that company or entity is in the PME Group), this Policy prohibits you from:

- trading in those securities;
- advising or procuring another person to trade in those securities; and
- directly or indirectly passing on Inside Information to another person (including colleagues, family or friends) knowing or with a reasonable basis for knowing that the other person will use that information to trade in, or procure a third person to trade in, those securities.

5. WHAT IS INSIDE INFORMATION?

a) "**Inside Information**" is information that:

- is **not** "generally available"; and
- a person who holds that information **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 securities issued in a company or other entity.

b) Information is considered "**generally available**" if:

- it can be easily observed; or
- it has been released to the ASX, published in an Annual Report or prospectus or is generally available to the investing public and a reasonable time has elapsed since the information was communicated; or
- it may be readily deduced, inferred or concluded from the above.

- c) Information would be likely to have a "**material effect**" on the price or value of securities if the information might influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of those securities.
- d) **It does not matter how you come to know or possess Inside Information.** For example, you could come to possess Inside Information in relation to PME Group during the course of your ordinary responsibilities.
- e) The financial impact of the information is important but strategic and other implications can be equally important in determining whether information would constitute Inside Information.
- f) It is important to note that the definition of information is broad enough to include rumours, matters of supposition, intentions of a persons and information which is insufficiently definite to warrant disclosure to the public.

6. WHAT ARE SOME EXAMPLES OF INSIDE INFORMATION?

Inside Information could include, but is not limited to, the following:

- a) a possible acquisition or sale of assets or business by PME Group;
- b) any change in control transaction involving PME Group (whether as the target or the acquirer). This can take a number of forms, including takeover offers, mergers by scheme of arrangement, selective capital reductions or buy-backs;
- c) the financial performance of PME Group against budgets, forecasts or previously released earnings guidance;
- d) senior management or board changes;
- e) a proposed dividend or other distribution, including returns of capital;
- f) any proposed change in PME Group's capital structure; and
- g) any claim or proceeding, or judgement thereof, by or against PME Group and other unexpected liabilities.

7. INSIDER TRADING IS PROHIBITED AT ALL TIMES

- a) If you possess Inside Information in relation to PME Group, you must not Deal or propose to Deal in PME Securities, advise or get others to do so or pass on the Inside Information to others. **This prohibition applies regardless of how you come into possession of the Inside Information.**
- b) In order to protect the reputation of PME Group, and to ensure that PME Directors and PME Employees comply with the insider trading provisions

of the *Corporations Act*, this prohibition is **not limited to Inside Information concerning PME Group or to Dealings in PME Securities.**

- c) For the avoidance of doubt, this Policy prohibits you from Dealing in any securities of any company or entity if you have Inside Information about that other company or entity.

8. TRADING WINDOWS

In addition to the general trading restrictions set out in this Policy, all PME Directors and PME Employees must also adhere to the following conditions:

- a) given the heightened risk of actual or perceived insider trading, in general PME Directors and PME Employees may only Deal in PME Securities during the following periods (**Trading Windows**):
- after the announcement of the full-year audited results, the period of 30 days commencing on the trading day after the announcement;
 - after the announcement of the half-year audited results, the period of 30 days commencing on the trading day after the announcement; and
 - after the Annual General Meeting ('AGM'), the period of 30 days commencing on the trading day after the AGM.

The Chairman can, as he or she deems appropriate, reduce the period of any Trading Window from time to time.

HOWEVER, paragraph (a) does not apply if:

- the Chairman notifies PME Directors or PME Employees (or any one or more of them) that they cannot Deal in PME Securities during part of all of any Trading Window;
- in relation to any PME Director or PME Employee, that person is in possession of Inside Information relating to PME Group. For example, this could be case if PME Group has received a proposal for a change in control transaction during a Trading Window and the fact that the proposal has been received is not publicly known.

Dealings in PME Securities outside a Trading Window are only permitted with the prior written approval of the Chairman (or, in the case of the Chairman, with the approval of the Board), in each case:

- where there are exceptional circumstances (such as severe financial hardship); and
- the relevant PME Director or PME Employee is not aware of, and confirms in writing to the Board that they are not aware of, any Inside Information relating to PME Group.

If approval is given, then the Dealing must occur within 7 days of the approval and must comply with any conditions (including disclosure) which may be imposed by the Chairman (or in the case of the Chairman, the Board). Any approval given or conditions imposed are within the discretion of the Chairman (or in the case of the Chairman, the Board).

- b) Before Dealing in PME Securities, irrespective of whether it is in a Trading Window or with the prior written approval of the Chairman (or in the case of the Chairman, the Board), all PME Directors and PME Employees must:
- advise the Company Secretary in writing of their intention to Deal in PME Securities (who must then pass that information to the Board);
 - confirm in writing that they do not hold Inside Information; and
 - have been advised by the Company Secretary that there is no known reason to preclude the proposed Dealing.

Any Dealing must occur within 7 days of being so advised.

Following the Dealing in PME Securities, the relevant PME Director or PME Employee must provide in writing full details of the Dealing to the Company Secretary, including details of any margin lending or other security arrangement affecting those securities.

9. BLACKOUT PERIODS

PME Directors and PME Employees are prohibited from Dealing in PME Securities during the following periods (**Blackout Periods**):

- a) the 4 week period prior to the release of PME Group's half yearly accounts to the ASX until the opening of the applicable Trading Window; and
- b) the 4 week period prior to the release of PME Group's annual accounts to the ASX until the opening of the applicable Trading Window.

In addition to these set periods, the Board or Chairman may, from time to time, declare any other period to be a "Blackout Period" for the purposes of this Policy.

The Company Secretary will notify PME Directors and PME Employees of the precise opening and closing date of each Blackout Period.

10. ADDITIONAL OBLIGATIONS ON DIRECTORS OF PRO MEDICUS

PME Directors must also comply with:

- a) all requirements in the Corporations Act 2001 and the Listing Rules of Australian Securities Exchange in relation to their notifiable interests, and notification of Dealings in PME Securities; and
- b) the letter agreement entered into between each PME director and Pro Medicus relating to same.

11. 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.

12. PRO MEDICUS INCENTIVE SHARE SCHEMES

Employees who acquire PME Securities under the Pro Medicus Share Plan, Pro Medicus Option Plan or any other employee incentive scheme from time to time must also comply with the rules of that Plan when Dealing in those securities.

13. AMENDMENT OF POLICY

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

Anyone unsure about whether any potential transaction is contrary to the law, the rules and regulation of the ASX or this Policy should contact the Company Secretary.

14. Definitions

In this Policy:

- a) **Blackout Period** has the meaning given in section 9.
- b) **Corporations Act** means the *Corporations Act 2001* (Cth).
- c) **Deal** or **Dealing** means, in relation to any PME Security, to apply for, acquire, convert or dispose of that PME Security, or agreeing to, inciting, procuring or inducing any person or entity to do so.

- d) **Inside Information** has the meaning given in section 5.
- e) **PME Directors** means directors of Pro Medicus Limited from time to time;
- f) **PME Employees** means all persons engaged by or in the business of any member of the PME Group, and includes (for the avoidance of doubt) key management personnel (within the meaning given in AASB 124 *Related Party Disclosure*) and those employees of any entity in the PME Group engaged in the business of or who perform any duties for Visage Imaging Inc or Visage Imaging GmbH in the ordinary course of their employment for any PME Group entity.
- g) **PME Group** means Pro Medicus Limited and each of its subsidiaries.
- h) **PME Securities** has the meaning given in section 3.a).
- i) **Trading Window** has the meaning given in section 8.