

01 March 2017

## **Updated Securities Trading Policy and Appointment to Audit and Risk Committee**

### **Updated Securities Trading Policy**

Resonance Health (ASX:RHT) would like to advise that following a review of its Security Trading Policy, the *Resonance Health Limited – Securities Trading Policy* has been updated. This is effective as of 1<sup>st</sup> March 2017 and supersedes the pre-existing Securities Trading Policy.

The updates relate to changes in the closed periods. The new closed periods are as follows:

- (i) 14 days prior to, and until one day after the release of the Appendix 4E Preliminary Final Report; and
- (ii) 14 days prior to, and until one day after the release of the Appendix 4D Half Year Report: and
- (iii) 14 days prior to, and until one day after the release of the Appendix 4C Quarterly Report's.

The complete *Resonance Health Limited – Securities Trading Policy* is enclosed. It is also available on the Company's web site [www.resonancehealth.com/investors/business-overview](http://www.resonancehealth.com/investors/business-overview) in the *Corporate Governance Statement* section.

### **Appointment of Dr Travis Baroni to Audit and Risk Committee**

Effective as of 2<sup>nd</sup> February 2017, Dr Baroni was appointed to the Audit and Risk Committee and appointed Chair of the Audit and Risk Committee. Dr Baroni has had experience across industrial research, commercialisation of technology, and in asset valuations. In particular, Dr Baroni's experience in investment banking, advisory services to equity capital market transactions, and corporate research will bring valuable skills and knowledge to this committee.

### **For further information please contact:**

Adrian Bowers

Company Secretary, Resonance Health

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### **Resonance Health Ltd.**

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## RESONANCE HEALTH LIMITED

### Securities Trading Policy

#### 1. BACKGROUND

Although Directors and employees are encouraged to become shareholders of the Company, there are severe penalties for dealing on the basis of inside information.

#### 2. AIM

- Effects proper business controls
- Meets legal requirements

#### 3. DEFINITIONS

##### 3.1 *Who is covered by this Policy?*

All Directors and employees of Group companies (which includes associated companies) and their close associates.

##### 3.2 *What is a Close Associate?*

For the purposes of this policy, a close associate is:

- any company in which you have a substantial shareholding;
- any private trust of which you are a beneficiary; and
- any person or company with whom you have an arrangement which would entitle you to control, or influence substantially, the exercise of any voting power of shares in any of the relevant companies.

##### 3.3 *Who is a Family Member?*

For the purposes of this policy a family member is your spouse or defacto spouse, each of your parents, parents-in-law (including parents of a defacto spouse) your children, step children (including children of a defacto spouse) and the spouse or defacto spouse of any of those people.

##### 3.4 *What are Securities?*

For the purposes of this policy, securities are any listed or unlisted class of share, right, share option, or warrant.

### 3. DEFINITIONS Cont'd

#### 3.5 *What is a Group Company?*

For the purposes of this policy, the Group companies are:

- Resonance Health Limited
- Resonance Health Analysis Services Pty Ltd

and any other Company which becomes part of the Group as a result of a takeover offer or other form of acquisition by a Group company.

#### 3.6 *What is Dealing in Securities?*

For the purposes of this policy, dealing includes:

- the buying or selling of, or subscribing for, any securities; and
- the exercise of listed or unlisted options (including employee incentive plan options)

whether on your own account or on behalf of another person.

The issue of any shares, rights to shares, options, rights to options or any other interest to staff under the any employee share plan or any dividend investment scheme offered by a Group company is not considered to be dealing in securities under this policy. However, the subsequent sale of any such shares and options or the exercising of these options does constitute such a transaction and must comply with this policy.

#### 3.7 *What is Inside Information?*

For the purposes of this policy, inside information is information which has not been released to the Australian Securities Exchange, and which may have an effect on the price of the securities in the relevant company.

### 3. DEFINITIONS (Cont'd)

#### 3.8 *What is the Closed Period?*

The closed period is 14 days prior to, and until one (1) day after the release of the financial results.

The prescribed closed periods are:

- (iv) 14 days prior to, and until one day after the release of the Appendix 4E Preliminary Final Report; and
- (v) 14 days prior to, and until one day after the release of the Appendix 4D Half Year Report: and
- (vi) 14 days prior to, and until one day after the release of the Appendix 4C Quarterly Report's.

From time to time the Company Secretary may determine that circumstances are such as to justify another period as an additional closed period. You will be officially notified if such a determination is made.

#### 3.9 *What is Short Term Trading*

Short Term Trading refers to those trading strategies in the stock market in which the time duration between entry and exit is within a range of a few days to a few weeks.

### 4. POLICY

#### 4.1 *Group Companies*

You and your close associates may deal in securities in Group companies at any time other than during a closed period.

You and your close associates may deal in financial products issued or created over or in respect of securities in Group companies at any time other than during a closed period.

At no time may you deal in securities in Group companies or deal in financial products issued or created over or in respect of securities in Group companies when you are in possession of inside information.

In addition, when in possession of inside information, it is not permissible to:

- communicate the information to any other person; or
- encourage or induce any other person to deal in those securities.

At no time may you or your close associates deal in securities in Group companies or deal in financial products issued or created over or in respect of securities in Group companies on a short term trading basis. For these purposes short term is considered to be within a three month period.

#### 4.2 *Non-Group Companies*

You and your associates should not deal in securities in a non-Group company which you are aware is the subject of an unannounced significant commercial transaction with a Group company. This applies particularly to Joint Venture partners.

#### 4.3 *Trading by a Family Member*

Trading by a family member in Group securities is to be discouraged during a closed period.

There is a serious risk that successful trading in Group securities by a family member will be misconstrued as having been facilitated by information passed on by you. This has the potential to cause you and the Group enormous embarrassment.

You should inform your family members of this policy and should endeavour to ensure that your family members follow this policy and comply with it.

### 5. PROCEDURE

#### 5.1 *What must you do if you wish to deal in Group securities?*

You can deal in securities in any Group company outside a closed period unless you hold inside information.

Once you have completed the transaction you must report the details utilising the Notification of Change in Shareholdings Group Securities form to the Company Secretary who maintains a register of those transactions on behalf of the Audit and Risk Committee. A copy of the appropriate form is attached (Attachment 1).

A completed form must be forwarded to the Company Secretary within one week after the transaction.

#### 5.2 *Because of continuous disclosure why can't I deal at any time?*

This policy has been reviewed in the light of continuous disclosure. It has been decided for a number of reasons (including policy supervision and the existence of significant exceptions to continuous disclosure requirements) not to permit dealing during closed periods.

#### 5.3 *What must you do if you have a special need to deal during the closed period, or if you believe you may hold inside information?*

You should contact the Company Secretary prior to entering into the transaction so that they can determine whether the dealing would be prohibited under the Corporations Act. Permission may be granted for exceptional circumstances such as financial hardship or compulsion by court order.

Permission granted by the Company Secretary will be provided by email or in writing and is valid for a period of one week. After the expiration of the one week period permission must be re-sought from the Company Secretary.

Should you complete the transaction, you must report the details to the Company Secretary to record, together with the reason for the dealing, in the register. The Notification of Change in Shareholdings - Group Securities Form must be forwarded to the Company Secretary within one week of the transaction.

### 5. PROCEDURE (Cont'd)

#### 5.4 *What Authority Levels and Procedures Apply to Companies Buying and Selling Securities?*

In order to comply with the policy, once Board approval to creep has been obtained, any "creeping" is initiated outside a closed period. The spirit of the policy is followed if the creep is not completed prior to the commencement of a closed period by:

- a) Immediately suspending the order if the company is aware that consideration is being given to making a price sensitive ASX announcement;
- b) Ensuring that the purchase does not result in an increase in the closing price of the security of a sale in a decrease in the closing price on any three consecutive days; and
- c) Ensuring that the order does not represent more than one third of the monthly turnover.

#### 5.5 *What do I do if a family member or close associate places me in a compromising position?*

If you feel you are being compromised by the share trading actions of a family member or a close associate, or should a family member or close associate indicate unwillingness or inability to comply with a request to comply with the policy, you should advise and discuss the matter with the Company Secretary.

#### 5.6 *Short Term Trading is Prohibited*

Any Short Term trading is prohibited.

**Attachment 1**

**Notification of Change in Shareholdings in Group Securities**

**NB: This form should be completed at the time of any security transaction activity and forwarded to:**

Company Secretary  
Ground Floor  
278 Stirling Highway  
Claremont, WA 6010  
Fax: 08 9286 1179

within one week of the transaction.

I hereby notify the Company of a change in my shareholding (*or that of a close associate*), in the Company or related corporation, as detailed below:

Name of shareholder: \_\_\_\_\_

Relationship: Self / Spouse / Other (*delete as applicable*)

Contact Telephone Number: \_\_\_\_\_  
(*business hours*)

Home address: \_\_\_\_\_  
\_\_\_\_\_

Type of transaction: Buy/sell/exercise/subscribe for Share/Right/  
Options/Warrant (*delete as applicable*)

Date of transaction: \_\_\_\_\_

Number of securities: \_\_\_\_\_

Price of securities: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_