

PARAGON CARE LIMITED

Share Trading Policy

1) INTRODUCTION AND PURPOSE

This document sets out the policy covering restrictions on dealing in securities of Paragon Care Limited and other entities in which Paragon Care Limited has an interest.

If you do not understand any part of this policy or the summary of the law, or how it applies to you, you should raise the matter with the Company Secretary before dealing with any security covered by this policy

2) EMPLOYEES AND OTHERS COVERED BY THIS POLICY

This policy imposes basic trading restrictions on all employees of the Paragon Care Limited Group and its subsidiary companies who are in possession of inside information, and additional trading restrictions on the Directors and Senior Executives of Paragon Care Limited.

3) SECURITIES COVERED BY THIS POLICY

a) This policy applies to trading in all Paragon Care Limited Securities – this is a very broad concept and includes the following types of securities of Paragon Care Limited, and other entities in which Paragon Care Limited has an interest:

- Shares and options;
- Debentures (including bonds and notes);
- Interests in managed investment schemes, trusts and other financial products; and
- Derivatives of any of the above (including equity swaps, futures, hedges and exchange-traded or over-the-counter options) whether settled by cash or otherwise.

“Trading” includes:

- Acquiring or disposing of Paragon Care Limited Securities on market or through an off market transaction;
- Acquiring or disposing of Paragon Care Limited Securities in connection with margin lending or other security arrangements; and
- Stock lending arrangements affecting Paragon Care Limited Securities.

b) The prohibition on insider trading also applies to Securities issued by another company or entity if you have inside information (i.e. information which is not publicly known) about that company or entity – see paragraph 8(b). For this purpose “securities” covers the same range of shares, options, debentures, interests and derivatives as listed in paragraph a).

4) INSIDER TRADING LAWS

a) If you have inside information which is not publicly known, it is a criminal offence for you to:

- Trade in Securities;
- Advise or procure another person to trade in Securities; or
- Pass on inside information to someone else – including colleagues, family or friends – knowing (or where you should have reasonably known) that the other person will use that information to trade in, or procure someone else to trade in, Securities.

- b) This offence, called “insider trading”, can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or Paragon Care Limited, for any loss suffered as a result of illegal trading.

5) CONFIDENTIAL INFORMATION

Related to the above, you also have a duty of confidentiality to the Paragon Care Limited Group. You must not reveal any confidential information concerning the Paragon Care Limited Group, use that information in any way which may injure or cause loss to the Paragon Care Limited Group, or use that confidential information to gain an advantage for yourself.

6) WHAT IS “INSIDE INFORMATION”?

- a) “Inside information” is information that:
- Is not generally available; and
 - If it were generally available, it would – or would be likely to – influence investors in deciding whether to buy or sell Paragon Care Limited Securities.
- b) It does not matter how you come to know the inside information (including whether you learn it in the course of carrying out your responsibilities or in passing in the corridor or in a lift or at a dinner party).
- c) The financial impact of the information is important but strategic and other implications can be equally important in determining whether information is inside information. The definition of information is broad enough to include rumours, matters of supposition, intentions of a person (including Paragon Care Limited) and information which is insufficiently definite to warrant disclosure to the public.

7) WHAT ARE SOME EXAMPLES OF INSIDE INFORMATION

The following list is illustrative only and is not exhaustive. Inside information could include;

- a) A possible acquisition or sale of any assets or business by Paragon Care Limited;
- b) The financial performance of Paragon Care Limited against the budgets or forecasts;
- c) Senior Management or Board changes;
- d) A proposed dividend;
- e) A possible change in Paragon Care Limited’s capital structure; or
- f) Any possible claim against Paragon Care Limited or other unexpected liability.

8) INSIDER TRADING IS PROHIBITED AT ALL TIMES

- a) If you possess inside information, you must not buy or sell Paragon Care Limited Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of how you learn of the information.
- b) The prohibition on insider trading is not limited to information concerning Paragon Care Limited Group entities or to dealing in Paragon Care Limited Securities. If you have inside information about another company or entity you must not deal in Securities of that company or entity.

9) ADDITIONAL RESTRICTIONS ON TRADING BY DIRECTORS AND EXECUTIVES

In addition to the general trading restrictions set out in this Policy that apply to all employees, additional restrictions on trading in Paragon Care Limited Securities apply to the Directors and Senior Executives of Paragon Care Limited.

9.1 Blackout Periods

Given the heightened risk of actual or perceived insider trading, in general, the Directors and Senior Executives of Paragon Care Limited may not trade in Paragon Care Limited Securities:

- In the thirty (30) day period prior to the release of the of the half-year results; and
- In the thirty (30) day period prior to the release of the of the full-year results (together, Blackout Periods).

Trading during Blackout Periods may only be permitted with prior approval of the Chairman (or, in the case of the Chairman, with the approval of the Managing Director), where there are exceptional circumstances (such as severe financial hardship) and the director or Senior executive is not aware of inside information. Where such approval is obtained, trading must occur within seven (7) days.

9.2 Clearance outside of Blackout Periods

Before trading in Paragon Care Limited Securities during periods outside of the Blackout Periods (if permitted by this policy), the Directors and Senior Executives of Paragon Care Limited must:

- Advise the Chairman (or, in the case of the Chairman, the Managing Director) of their intention to trade in the Paragon Care Limited Securities and whether they intend to enter into, or have entered into, a margin lending or other arrangement affecting the relevant Paragon Care Limited Securities;
- Confirm that they do not hold unpublished inside information; and
- Have been advised by the Chairman (or, in the case of the Chairman, the Managing Director) that there is no known reason to preclude the trading in Paragon Care Limited Securities.

Any trading must occur within seven (7) days of being so advised.

Following trading, Directors and Senior Executives of Paragon Care Limited who trade in Paragon Care Limited Securities must provide details of the trading to the Company Secretary including details of any margin lending or other security arrangement affecting the Securities. The Directors and Senior Executives of Paragon Care Limited must also notify the Company Secretary if a security interest affecting Paragon Care Limited Securities that they own or control is created, varied or discharged and the details of the security interest.

10) ADDITIONAL OBLIGATIONS ON DIRECTORS OF PARAGON CARE LIMITED

Directors of Paragon Care Limited must also comply with all requirements in the Corporations Act 2001 (Cth) and the Listing Rules of Australian Securities Exchange in relation to notification of trading in Paragon Care Limited Securities.

11) BREACHES OF POLICY

Strict compliance with this policy is mandatory for all employees. Breaches of insider trading law or this policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Directors, Senior Executives and Employees who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

12) AMENDMENT OF POLICY

This policy will be reviewed regularly by the Paragon Care Limited Board having regard to changing circumstances and any changes to this policy will be notified to affected persons.