

# **Continuous Disclosure Policy**

**Althea Group Holdings Limited**  
ACN 626 966 943

# Continuous Disclosure Policy

## 1 Introduction

This Policy imposes obligations and procedures on all Directors, employees and contractors of Althea Group Holdings Limited (**Company**) and each of the subsidiaries of the Company (together, the **Group**) to ensure, on the one hand, protection of confidential information and, on the other hand, the timely and balanced disclosure of all material matters concerning the Group. Compliance with this policy is critical and failure to comply could lead to civil or criminal liabilities for the Company and its employees, and could have a damaging impact on the perception of the Company within the investment community.

## 2 Application

This Policy applies to all Directors, senior executives (including senior and key officers) (**Senior Executives**), employees and contractors of the Group (**Group Personnel**).

## 3 Objectives

3.1 The objectives of this policy are to:

- (1) ensure that the Company is able to meet its continuous disclosure obligations under the Australian Securities Exchange (**ASX**) Listing Rules and the *Corporations Act 2001* (Cth); and
- (2) establish internal procedures so that all Group Personnel understand their obligations to ensure:
  - (a) confidential information is protected; and
  - (b) disclose Price Sensitive Information (as defined in clause 4.1 and further explained in clause 8) to the Disclosure Officer.

## 4 Continuous disclosure – legal considerations

4.1 Chapter 3 of the ASX Listing Rules deals with the continuous disclosure requirements that a listed company must satisfy. In particular, Listing Rule 3.1 states that once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities (**Price Sensitive Information**), the entity must immediately inform the ASX of that information.

There is, however, an exception to the disclosure of Price Sensitive Information in Listing Rule 3.1. This exception applies when:

- (1) a reasonable person would not expect the information to be disclosed;
- (2) the information is confidential and ASX has not formed a view otherwise; and
- (3) one or more of the following applies:
  - (a) it would be a breach of law to disclose the information;
  - (b) the information concerns an incomplete proposal or negotiations;

- (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (d) the information is generated for the internal management purposes of the Company; or
  - (e) the information is a trade secret.
- 4.2 The Listing Rules also provide that if the ASX considers that there is or is likely to be a false market in an entity's securities, and asks the entity to give information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market.
- 4.3 Examples of information that would need to be disclosed under ASX Listing Rule 3.1 are set out in the Schedule to this Policy.

## **5 Information to be disclosed to Disclosure Officer**

- 5.1 The Board is required to appoint a Disclosure Officer to administer this Policy.
- 5.2 As soon as any Group Personnel become aware of information:
- (1) that is not generally available (ie the information in question has not been included in any annual report, ASX release or other publication of the Company); and
  - (2) which may be Price Sensitive Information;

they must provide to the Disclosure Officer the following information:

- (3) a general description of the matter;
- (4) details of the parties involved;
- (5) the relevant date of the event or transaction;
- (6) the status of the matter (eg final / negotiations still in progress / preliminary negotiations only);
- (7) the estimated value of the transaction;
- (8) the estimated effect on the Company's finances or operations; and
- (9) the names of any in-house or external advisers involved in the matter.

## **6 Disclosure of information externally**

- 6.1 Unless disclosed in accordance with this Policy, potentially Price Sensitive Information should be treated as strictly confidential. In particular, information concerning an incomplete proposal or negotiation, or information which is insufficiently definite to warrant disclosure, should not be disclosed externally eg to analysts, professional bodies, the media, customers or any other person (**External Persons**) and should only be disclosed internally to the minimum number of persons possible.
- 6.2 Any general confidentiality guidelines put in place by the Disclosure Officer must be followed. The Senior Executive(s) leading a proposed transaction also must consider whether any particular practices should be adopted in respect of that proposed transaction (having regard to the joint publication by Chartered Secretaries Australia (now Governance

Institute of Australia) and the Australasian Investor Relations Association entitled *Handling confidential information: Principles of good practice*).

- 6.3 Potentially Price Sensitive Information must not be selectively disclosed to External Persons prior to being announced to the ASX.
- 6.4 If any Group Personnel is proposing to present any potentially Price Sensitive Information to External Persons (eg at an analyst briefing) or make any media release, they should ensure that copies of their material are provided to the Disclosure Officer prior to presenting that information externally or making that media release. All material to be presented at a general meeting of shareholders also must be approved by or referred through the Disclosure Officer prior to briefing.
- 6.5 All enquiries from External Persons and shareholders must be referred to the Disclosure Officer.
- 6.6 When presenting Price Sensitive Information which has been approved by a Disclosure Officer, discussion should be limited to the scope of the approved material. Issues beyond this scope should only be discussed if the relevant information has already been announced to ASX. If a question can only be answered by disclosing potentially Price Sensitive Information, the person should decline to answer or take the question on notice.
- 6.7 If potentially Price Sensitive Information is leaked or inadvertently disclosed to External Persons, that information should immediately be provided to the Disclosure Officer.

## **7 Role of Disclosure Officer**

- 7.1 The Board has appointed the Company secretary (**Secretary**) to act as the Disclosure Officer to:
  - (1) monitor the Company's compliance with disclosure obligations, including the maintenance of confidentiality of information when appropriate;
  - (2) be responsible for disclosure to the ASX;
  - (3) approve media releases and other material for presentation to External Persons and shareholders;
  - (4) deal with enquiries from External Persons and shareholders; and
  - (5) have responsibility for communications with the ASX in relation to ASX Listing Rule matters generally (in accordance with ASX Listing Rule 12.6).
- 7.2 The Disclosure Officer must:
  - (1) periodically monitor disclosure processes and reporting and periodically review the effectiveness of disclosure and materiality guidelines;
  - (2) decide what information must be disclosed to the ASX, including the information needed to correct or prevent a false market;
  - (3) conduct all disclosure discussions with management;
  - (4) conduct all disclosure discussions with the ASX;

- (5) maintain a **Disclosure File** which must contain a record of:
  - (a) material that has been disclosed to the ASX (with a copy of each announcement to the ASX); and
  - (b) potentially price sensitive information that has come to the attention of the Disclosure Officer and has not been disclosed to the ASX, together with the reasons for that non-disclosure;
- (6) submit reports to each regular Board meeting, setting out the matters disclosed to the ASX and those matters of which the Disclosure Officer became aware that were not disclosed to the ASX and the reasons for that non-disclosure (if any);
- (7) put in place such confidentiality policies (having regard to *Handling confidential information: Principles of good practice* (referred to in clause 6.2)) as the Disclosure Officer considers necessary or appropriate;
- (8) take such action as the Disclosure Officer considers necessary or appropriate (including if considered necessary the implementation of regular training sessions for relevant Group Personnel) to ensure that the senior managers and their subordinates are aware of and adequately understand:
  - (a) the nature of the Company's continuous disclosure obligations;
  - (b) the responsibilities of the Group Personnel in ensuring compliance with the Company's continuous disclosure obligations, including the maintenance of confidentiality of information when appropriate; and
  - (c) the requirements of this policy.

7.3 The Disclosure Officer must as quickly as possible in the circumstances decide in respect of information that comes to his or her attention (either directly or from a director) whether:

- (1) the information must be disclosed to the ASX;
- (2) there is an exception which allows non-disclosure to apply; or
- (3) an alternative procedure, such as whether a notice pending, trading halt or suspension of shares is appropriate in all the circumstances.

7.4 In the case of paragraphs 7.3(1) and 7.3(2), there are 3 alternatives:

- (1) The Disclosure Officer believes the information is Price Sensitive Information and must be disclosed. In this case, the Disclosure Officer must:
  - (a) discuss the matter with management;
  - (b) discuss the matter with the Company's Managing Director (or equivalent) who may, in turn, discuss the matter with the Chair or other Directors;
  - (c) prepare an announcement to the ASX disclosing the Price Sensitive Information which, if the announcement is particularly significant, must be considered and approved by the Board; and
  - (d) promptly and without delay send the announcement to ASX and a copy of the announcement to all Directors (usually by email), and place a copy of the announcement on the Disclosure File maintained by the Disclosure Officer.

- (2) The Disclosure Officer believes reasonably in all of the circumstances the information is not Price Sensitive Information, or does not have to be disclosed because it is covered by the exceptions in ASX Listing Rule 3.1A. In this case, the Disclosure Officer must make careful notes setting out why the information has been brought to his or her attention and the reasons why the information is not price sensitive, or why the exceptions in ASX Listing Rule 3.1A apply (as applicable). These notes must be placed on the Disclosure File.

If the information is covered by an exception in ASX Listing Rule 3.1A but then is leaked or inadvertently disclosed externally, the Disclosure Officer should consider whether the protection of the ASX Listing Rule 3.1A still applies. If so, then it should make notes as above explaining the reasons but nonetheless post the information on the Company's website. If not, the Disclosure Officer should undertake steps (a) to (d) in paragraph 7.4(1).

- (3) The Disclosure Officer is not certain whether the information is Price Sensitive Information, or whether it falls within an exception. In this case, the Disclosure Officer must follow the appropriate procedures in paragraph 7.4(1) and seek external legal or financial advice.

7.5 The Disclosure Officer shall be responsible for ensuring that Company announcements are:

- (1) made acting promptly and without delay (ie as quickly as possible in the circumstances and not deferring, postponing or putting it off to a later time);
- (2) factual;
- (3) complete (ie do not omit Price Sensitive Information);
- (4) balanced (ie they include not only positive Price Sensitive Information but also negative Price Sensitive Information); and
- (5) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

## 8 What is Price Sensitive Information?

8.1 The Disclosure Officer is responsible for making decisions about what information will be disclosed. As noted in paragraph 4.1 above, whether information constitutes Price Sensitive Information depends on whether it is material.

### Materiality test

- 8.2 Information is material if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
- 8.3 This needs to be looked at against the backdrop of the circumstances affecting the Company at the time, any external information that is publicly available at the time and any previous information the Company has provided to the market.
- 8.4 Materiality is assessed against this qualitative test, considering the Company's business activities, size and place in the market.
- 8.5 A quantitative assessment may also be undertaken by the Disclosure Officer as part of, but not in substitution for, the materiality test.

- 8.6 To ensure that there is no pre-judgment of the materiality test, Group Personnel must inform the Disclosure Officer of any potentially material price or value sensitive information or proposal as soon as they become aware of it.
- 8.7 If an employee is any doubt about whether particular information is potentially Price Sensitive Information, they should immediately disclose the information to their senior manager who should in turn disclose it to the Disclosure Officer.
- 8.8 Examples of the types of information which may require disclosure are set out in the Schedule to this policy.
- 8.9 Information regarding the financial position, performance, ownership and governance of the Company also may constitute Price Sensitive Information.
- 8.10 There are many other types of information that could give rise to a disclosure obligation. For example, developments in companies which are affiliated with, but not controlled by, the Company may be Price Sensitive Information when related to the Company itself. Any questions on whether particular information is Price Sensitive Information should be immediately directed to the Disclosure Officer.

## **9 Consequences of contraventions**

The Company contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by ASX Listing Rule 3.1 to be disclosed. If the Company contravenes this obligation by failing to notify the ASX of information:

- (1) that is not generally available; and
- (2) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities issued by the Company;

it, and its officers may be guilty of an offence under the *Corporations Act 2001* (Cth).

## **10 Public availability of materials**

- 10.1 This policy or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

Adopted on 9<sup>th</sup> August 2018

## **Schedule**

### **Examples of information that may require disclosure**

In note to Listing Rule 3.1, the ASX has included in the following examples of information which would need to be disclosed under Listing Rule 3.1 if it is material:

- 1 A transaction that will lead to a significant change in the nature or scale of the entity's activities.
- 2 A material mineral or hydrocarbon discovery.
- 3 A material acquisition or disposal.
- 4 The granting or withdrawal of a material licence.
- 5 The entry into, variation or termination of a material agreement.
- 6 Becoming a plaintiff or defendant in a material law suit.
- 7 The fact that the entity's earnings will be materially different from market expectations.
- 8 The appointment of a liquidator, receiver or administrator.
- 9 The commission of an event of default under, or other event entitling a financier to terminate, a material financing facility.
- 10 Under subscriptions or over subscriptions to an issue of securities.
- 11 Giving or receiving a notice of intention to make a takeover.
- 12 Any rating applied by a ratings agency to an entity or securities of an entity and any change to such a rating.

*Note: These examples are not an exhaustive list. Employees should notify the Disclosure Officer of any matters that they think may be "price sensitive" or influence an investor's decision to buy or sell securities.*