



Policy

# Market Disclosure and Investor Engagement Policy

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**A2B Australia Limited (Company)**

ACN 001 958 390

Adopted by the Board on 19 June 2017



## 1 What is the purpose of this policy?

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A2B has significant obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of A2B's securities.

The objective of this policy is to:

- confirm A2B's commitment to complying with its disclosure obligations;
- explain the content of the relevant obligations;
- outline the processes in place for ensuring compliance; and
- provide guidance on how A2B representatives are expected to engage with investors.

## 2 Who does this policy apply to?

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This policy applies to the Company's directors, employees, contractors, consultants and to other service providers, where they are under a relevant contractual obligation (**Personnel**).

## 3 What are A2B's key continuous disclosure obligations?

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### 3.1 What information must be disclosed?

ASX Listing Rule 3.1 requires that A2B must immediately notify the ASX of **any information that A2B becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of A2B's securities**.

The information must be given to the ASX (and an acknowledgement that the ASX has released the information to the market must be received) before the information can be given to any other person or released on A2B's website.

'Immediate' disclosure under ASX Listing Rule 3.1 requires disclosure to be made 'promptly and without delay'. Although the length of time required to make an announcement will depend on the circumstances, the information must be disclosed to the ASX as quickly as possible in the circumstances and must not be deferred, postponed or put off to a later time.

This means that, subject to the exceptions described in section 3.3, A2B must immediately notify the ASX of any information or any major development related to the business of A2B which a reasonable person would expect to have a material effect on the price or value of its securities (**material information**).



### 3.2 What is material information?

Materiality must be assessed having regard to all the relevant background information, including past announcements that have been made by A2B and other generally available information.

Strategic or reputational matters clearly have the potential to be very significant issues for A2B. They can be just as important as (or even more important than) matters with an immediate 'quantifiable' financial impact.

A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

Some examples of information that should be disclosed, include:

- a material increase or decrease in A2B's financial forecast or expectation;
- changes to the Board or senior executives;
- material changes to capital structure or funding;
- an agreement between A2B and a director;
- a change in accounting policies which will result in a material effect on A2B's financial results or position;
- a change in or proposal to change A2B's auditor; and
- giving or receiving a notice of intention to make a takeover.

### 3.3 What exceptions apply to the continuous disclosure rule?

Disclosure is not required where **each** of the following conditions is and remains satisfied:

- (a) **one or more** of the following apply:
- it would be a breach of a law to disclose the information;
  - the information concerns an incomplete proposal or negotiation;
  - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - the information is generated for the internal management purposes of A2B; or
  - the information is a trade secret; and
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

As soon as any one of these 3 conditions is no longer satisfied, A2B must immediately comply with its continuous disclosure obligation.

### 3.4 Is confidentiality important?

When A2B is relying on an exception to ASX Listing Rule 3.1, or is involved in a development that may eventually require reliance on an exception, appropriate confidentiality protocols must be adhered to. A leak of confidential information will



immediately deny A2B the ability to withhold the information from the ASX and force A2B to make a 'premature' announcement, regardless of where the leak comes from.

Information about a matter involving A2B may cease to be confidential if there is:

- a reasonably specific and reasonably accurate media or analyst report about the matter;
- a reasonably specific and reasonably accurate rumour known to be circulating the market about the matter; or
- a sudden and significant movement in the market price or traded volumes of the Company's securities that cannot be explained by other events or circumstances.

### 3.5 What if there is a false market in A2B's securities?

If the ASX considers that there is or is likely to be a false market in A2B's securities and asks A2B to give it information to correct or prevent a false market, A2B must give the ASX that information. The obligation to disclose arises even if an exception described in section 3.3 applies.

The ASX would consider that there is or is likely to be a false market in the Company's securities in the following circumstances:

- the Company has information that has not been released to the market, for example because an exception in section 3.3 applies;
- there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement by the Company to the market; and
- there is evidence that the rumour or comment is having, or the ASX forms a view that the rumour or comment is likely to have, an impact on the price of the Company's securities.

## 4 How is disclosable information reported?

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- (a) If any Personnel become aware of any information at any time that should be considered for release to the market, it must be reported immediately to the Company Secretary or their delegate (the **Disclosure Officer**). See section 8 for further information regarding the role of the Disclosure Officer.
- (b) It is important for Personnel to understand that just because information is reported to the Disclosure Officer that does not mean that it will be disclosed to the ASX. It is for the Disclosure Officer to determine whether information is material and requires disclosure. Accordingly, A2B's policy is for all potentially material information to be reported to the Disclosure Officer even where the reporting person is of the view that it is not in fact 'material'. The person's view on materiality can (and should) be shared with the Disclosure Officer but will not be determinative.



- (c) Where any information is reported in accordance with 4(a), the Disclosure Officer will promptly:
- (1) review the information in question;
  - (2) urgently seek any advice that is needed to assist them in interpreting the information (noting however that disclosure cannot be delayed if the information is clearly materially price sensitive on its face);
  - (3) determine whether any of the information is required to be disclosed to the ASX;
  - (4) consider whether it is necessary to seek a trading halt to facilitate an orderly, fair and informed market in A2B's securities;
  - (5) coordinate the actual form of disclosure with the relevant members of management; and
  - (6) confirm final approval from the Chief Executive Officer (**CEO**) for the proposed disclosure. If the matter the subject of the proposed disclosure is sufficiently significant, the CEO will discuss the proposed disclosure with the Chairman, who may in turn require the matter to be considered by the Board.
- (d) All announcements under ASX Listing Rules 3.1 or 3.1B must be approved by the CEO before the announcement is made or disclosure released through the Company Secretary. The exception to this rule is an ASX announcement relating to major company matters (eg significant profit upgrades or downgrades and company transforming transactions or events) which require Board approval.
- (e) **Rapid Response Process:**
- (1) *Announcements requiring CEO approval:* If the CEO is unavailable to determine whether to make or approve an ASX announcement, the Chairman may authorise the disclosure.
  - (2) *Announcements requiring Board approval:* If it is not possible to convene the Board at short notice, the Disclosure Officer and CEO will seek approval of the Chairman or as many directors as are available to make the disclosure or may call a trading halt (see section 5). The remaining directors of the Board are to be informed as soon as practicable after the disclosure is made or a trading halt is called.
- (f) Where an event occurs that is of a routine or administrative nature and which requires disclosure under the ASX Listing Rules, the Company Secretary may disclose the information to ASX without the need to seek approval from the CEO or the Board. Examples are announcements containing information required by Appendix 3B, 3X, 3Y or 3Z of the ASX Listing Rules.

## 5 When may a trading halt/voluntary suspension be necessary?

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A2B may request a trading halt or, in exceptional circumstances, a voluntary suspension, to maintain fair, orderly and informed trading in its securities, to correct or prevent a false market or to otherwise manage disclosure issues. This may be necessary where the market is trading and A2B is not in a position to give an announcement to ASX straight away, or where the market is not trading and A2B is not in a position to give an announcement to ASX before trading next resumes.



The CEO (after consultation with the Chairman and Disclosure Officer) will make all decisions relating to a trading halt. The other members of the Board will be advised of the trading halt decision as soon as practicable.

**Rapid Response Process:** If the CEO is unavailable to determine whether to request a trading halt, the Chairman may authorise the request.

Any request to the ASX for A2B to be placed into voluntary suspension must be approved by the Board.

## 6 What are the guidelines for communications to financial markets?

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### 6.1 A2B's contact with the market

Throughout the year A2B has scheduled times for disclosing information to the financial market on its performance (eg full and half-yearly financial results announcements).

If "outlook statements" or forecasts are included in A2B's annual report or results announcements for a previous period, any material change in earnings expectations (either upwards or downwards), must be announced to the ASX before being communicated to anyone outside A2B.

At all times when interacting with the financial community, A2B must adhere to its continuous disclosure obligation and must not selectively disclose material price sensitive information to an external party unless that information has first been released to the ASX.

### 6.2 Authorised spokespersons

The only A2B representatives authorised to speak on behalf of the Company to major investors and stockbroking analysts are:

- the Chairman;
- the CEO; or
- their delegates nominated for a specific purpose.

Any questions or enquiries from the financial community (whether received in writing, verbally or electronically including via the website) should be referred in the first instance to the Company Secretary.

Authorised spokespersons must not provide any material information that has not already been announced to the market nor make comment on anything that may have a material effect on the price or value of A2B's securities.

### 6.3 Briefings to investors and analysts

From time to time, A2B holds briefing sessions with analysts and investors. Only A2B's CEO or Chairman or their authorised spokesperson(s) may conduct such sessions. A2B will ensure that such sessions comply with its continuous disclosure obligations.

A Disclosure Officer or their representative will be involved in all discussions and meetings with analysts and investors. Where the Disclosure Officer believes any information has been disclosed inadvertently which may have a material effect on the



price or value of A2B's securities, they must immediately report the matter to the CEO for consideration of whether an ASX announcement or trading halt is necessary.

Where the Company's executives give speeches or presentations to, or participate in, conferences or forums, it is important that the same protocols are maintained as for presentations to investors or analysts.

#### **6.4 Communication blackout periods**

Between the end of a reporting period and the announcement of the financial results, A2B imposes a blackout period in order to avoid the risk of creating a false market by inadvertently disclosing information that is incomplete or uncertain.

A2B's policy is that during this time it will not hold one on one briefings with institutional investors, individual investors or stockbroking analysts to discuss financial information and will not hold any open briefings to discuss anything other than information which has been announced to the ASX.

Any proposal to deviate from this policy must be subject to approval in advance from the CEO and, if any briefings or meetings are held during a blackout period, there must be no discussion or provision of financial or other information in breach of the Company's continuous disclosure obligation.

#### **6.5 Monitoring analyst reports**

A2B recognises the importance placed on reports by stockbroking analysts. Any comment by the Company to an analyst in relation to an analyst's report or financial projections should be confined to errors in factual information and underlying assumptions provided such comment of itself does not involve a breach of the A2B's continuous disclosure obligation or amount to a selective briefing.

The CFO will maintain a record of analysts' earnings forecasts and monitor the general range of analysts' forecast earnings relative to the Company's own internal forecasts and any financial forecasts previously published by the Company. If the CFO becomes aware of a divergence between the 'consensus' of the analysts' forecasts and management's own expectations, which may have a material effect on the price or value of the Company's securities, the CFO will refer the matter immediately to the CEO for consideration of whether an ASX announcement or trading halt is necessary.

#### **6.6 Rumours and market speculation**

The Company Secretary will monitor media, institutional investors, analysts and any other third parties to detect any matter that may require A2B to consider whether disclosure is warranted.

Subject to its continuous disclosure obligations, A2B will not generally comment on rumours or market speculation.

Any rumours or market speculation must immediately be reported to the Disclosure Officer, the CEO or the Chairman so that they are in a position to consider what further action to take (if any).



## 7 Communications with shareholders

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The Company aims to communicate all important information relating to the Company to its shareholders. Additionally, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time.

To achieve this, the Company communicates information regularly to shareholders and other stakeholders through a range of forums and publications.

Measures for communicating important aspects of the Company's affairs include:

- corporate website – a2baustralia.com;
- annual general meeting;
- annual report;
- ASX announcements;
- alerts;
- presentations; and
- share registry – Link Market Services.

## 8 What is the role of the Disclosure Officer?

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The Disclosure Officer is responsible for ensuring there is an adequate system in place for the disclosure of all material information to the ASX.

Responsibilities of the Disclosure Officer include:

- coordinating A2B's consideration of matters that may require disclosure, being matters reported to them or matters of which they themselves become aware;
- overseeing and coordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public;
- educating Personnel on A2B's disclosure policies and procedures.

## 9 What is the role of the Company Secretary?

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A2B has nominated the Company Secretary as the person with the primary responsibility for all communication with the ASX. When an event occurs that is of a routine or administrative nature and which requires disclosure under the ASX Listing Rules, the Company Secretary will disclose the information to ASX, without the need to seek approval.

## 10 Board consideration of disclosure

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The Board will consider if any item on the agenda of any meeting or arising out of general business gives rise to information that should be considered for disclosure.





## 11 Policy breaches

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A2B regards its continuous disclosure obligation very seriously. Breach of this policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

In addition, a contravention of A2B's continuous disclosure obligation could lead to significant consequences for both A2B and the individual/s involved. The ASX and/or the Australian Securities and Investments Commission, as co-regulators, may take action in relation to a suspected contravention. There are also risks of class actions and significant reputational risks associated with contraventions of A2B's continuous disclosure obligations.

## 12 Review

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This policy is reviewed periodically, or when relevant regulatory changes occur.