



ASX CONTINUOUS DISCLOSURE POLICY

Context

Continuous Disclosure obligations require the Company to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities (**material information**) and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (for example, the Company's Annual Report).

Information must not be selectively disclosed (i.e. to analysts or the media) before it is announced to the ASX. See Clause 4 below for further detail.

This document sets out the policy and procedures adopted by the Board of Verticon Group Limited (**Company**) in order to comply with their continuous disclosure obligations under the Corporations Act 2001, particularly Sections 674 – 678, and the ASX Listing Rules, particularly Listing Rule 3.1.

ASX Listing Rule 3.1 (ASX LR 3.1)

ASX LR 3.1 is regarded as central to the orderly conduct and integrity of the ASX market. It states "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, the entity must immediately tell ASX that information."

"Aware" is defined ASX LR 19.12 - "An entity becomes aware of information if a director or executive officer has, or might reasonably have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

An "executive officer" is a person involved in management of the entity.

Carve Outs

The disclosure obligation under ASX LR 3.1 does **not** apply to particular information while all of the following are satisfied:

- A reasonable person would not expect the information to be disclosed.
- The information is confidential and ASX has not formed the view that the information has ceased to be confidential.
- One or more of the following applies:
 - It would be a breach of law to disclose the information.
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - The information concerns an incomplete proposal or negotiation.
 - The information is generated for internal management purposes.
 - The information is a trade secret.

Rumours, Market Speculation and Inadvertent disclosure

Subject to its obligations under its market disclosure requirements the Company will not generally comment on market rumours or market speculation. However if a comment becomes reasonably specific or the market moves in a way that appears to be referable to the rumour or speculation, the Company will consider responding by making an announcement to the ASX and posting it on its website.



If confidential information about the Company is inadvertently made public, the Company will consider whether it is appropriate to call a trading halt to enable an appropriate announcement to be prepared.

Under ASX LR 3.1B, ASX may require disclosure if ASX considers that there is or is likely to be a false market in the Company's securities

Consequences of Failure to Comply with Continuous Disclosure Obligations

If the Company contravenes its continuous disclosure obligations required by ASX LR 3.1 by failing to notify ASX of information:

- (a) that is not generally available; and
- (b) 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.

If the Company contravenes its continuous disclosure obligations, it may face:

- criminal liability, with a fine of up to \$110,000;
- civil liability for any loss or damage suffered by any person as a result of the Company's failure to disclose relevant information to the ASX;
- de-listing from the ASX; and
- proceedings by ASIC under the ASIC Act 1989.

The Company's officers (including its directors), employees or advisers who are involved in a contravention by the Company, may also face criminal penalties (a fine of up to \$22,000 and/or 5 years imprisonment) and civil liability as outlined above.

The Court also has power under the Corporations Act 2001 to order compliance with the Listing Rules on the application of the ASX, ASIC or an aggrieved person (for example, a shareholder of the Company).

Contravention of its continuous disclosure obligations may also lead to unwanted publicity for the Company and may cause damage to its reputation in the market place which may adversely impact upon the market value of the Company's securities.

Continuous Disclosure Policy

The Board of the Company has resolved that the Company and its employees will comply in all respects with the requirements of the Corporations Act 2001 and the ASX Listing Rules in relation to their requirements as to Continuous Disclosure.

Accordingly, this policy applies to:

- (a) all directors of the Company;
- (b) all executive officers of the Company; and
- (c) other nominated staff and/or contracted parties or persons.

To that end, this document sets out the processes for:

- executive officers identifying potentially material information;



- reporting such information to the Company Secretary for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules.

This Continuous Disclosure Policy does **not** address guidelines for directors, employees and contractors in buying and selling securities in the Company. These guidelines are set out in the Company's Securities Trading Policy.

Procedures

(a) Standing Obligations of Directors and Executive Officers

As soon as a Director or Executive Officers becomes aware of information that:

- is not generally available (i.e. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
- which may be price sensitive (i.e. it is likely to have a financial or reputational impact upon the Company that may be considered material), the Director or Executive Officer must provide to the Company Secretary the following information:
 - a general description of the matter;
 - details of the parties involved;
 - the relevant date of the event or transaction;
 - the status of the matter (for example, final/negotiations still in progress/preliminary negotiations only);
 - the estimated value of the transaction;
 - the estimated effect on the Company's finances or operations;
 - and
 - the names of any in-house or external advisers, consultants or contractors involved in the matter.

(b) Further Obligations of Executive Directors

The following procedures will apply at all times to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:

- (a) each Executive Officer must:
 - (1) confirm in his monthly report that there are no matters to be considered as material information for the purposes of continuous disclosure (or indicating those matters that should be considered) on the basis of information that the relevant Executive Officer is aware of personally and/or after having made appropriate enquiries of the employees who report to the relevant Executive Officer; and
 - (2) **IMMEDIATELY** notify the Company Secretary as soon as they become aware of potential market information that should be considered for release to the market. Indicative guidelines as to matters that may be considered as being potential market information are attached as Annexure A. It is not necessary for the relevant Executive Officer to consider whether an exemption to the requirement to disclose may apply.



- (b) The Company Secretary will:
- (1) review the possibly material information reported by the Executive Officer;
 - (2) consult with the CEO and, where appropriate the Board, to determine whether the information reported is possibly material;
 - (3) determine, in consultation with the CEO and the Board, whether any of the possibly material information is required to be disclosed to the ASX; and
 - (4) if such information is required to be disclosed, coordinate the actual form of disclosure with the CEO and the Board.

Analyst/Media Briefings

Information provided to, and discussions with, analysts or the media are also subject to the Continuous Disclosure Policy.

Material information must not be selectively disclosed (i.e. to analysts or the media) prior to being announced to the ASX. If a Director or Executive Officer is proposing to present any information to analysts, journalists or customers, he/she should ensure that copies of the information are provided to the Company Secretary prior to presenting that information externally. The Company Secretary will determine whether any such presentations should be released to the ASX prior to the presentation.

All enquiries from analysts must be referred to the CEO. All material to be presented at an analyst briefing must be approved by or referred through the CEO prior to briefing.

All inquiries from the media must be referred to the CEO or Company Secretary. All media releases must be approved by or referred through the CEO or Company Secretary prior to release to journalists.

All media releases and material to be presented (for example at seminars) must be approved by or referred through the CEO or Company Secretary prior to release to journalists or other professional bodies. The Company Secretary will determine whether any such media releases and material should be released to the ASX prior to their presentation.

Any person who is given permission by the CEO to give an interview or make a presentation must notify the Company Secretary of the date and time for the interview and must give a copy of any presentation to the Company Secretary prior to the interview or the presentation.

Periods in which interviews may not be given or in which presentations may not be made without the specific permission of the CEO may be imposed. Relevant persons will be notified of any such interview/briefing black-out period.

Analysts' Reports and Estimates

The Company may be asked to review analysts' research reports, in which event it will confine its comments to factual matters and material previously disclosed by it. In relation to analysts' earnings' estimates, the Company will confine its comments to the extent to which the estimates are within current forecasts as released to ASX, whether there are any factual errors and question analysts' assumptions or sensitivities if the estimates are significantly different from current forecasts as released to ASX.



The Role of the Company Secretary

The Company has nominated the Company Secretary as the person with primary responsibility for all communication with the ASX.

The Company Secretary is specifically responsible for:

- (a) liaising with the ASX in relation to continuous disclosure issues;
- (b) ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
- (c) co-ordinating the actual form of disclosure, including reviewing proposed announcements by the Company to the ASX and liaising with the CEO and the Board in relation to the form of any ASX releases;
- (d) liaising with the CEO and the Board of Directors, as appropriate, in relation to the disclosure of information;
- (e) keeping a record of all ASX and other releases that have been made;
- (f) periodically reviewing the Company's disclosure procedures in light of changes to the ASX Listing Rules or Corporations Act 2001 and recommending any necessary changes to the procedures to the Board; and
- (g) preparing regular disclosure reports to the Board of the Company which advise of:
 - (1) material matters considered and the form of disclosure (if any); and
 - (2) any material changes to the Company's continuous disclosure processes or policy.



Annexure A – Information Disclosure Requirements

Set out below is an illustrative list of matters that may give rise to an obligation of the Company to make disclosure.

This list is a guide only and should not be taken as an exhaustive list of issues to be disclosed:

Relevant Information/Matter

1. the financial condition, results of operations, company issued forecasts and earning performance of the Company, which are significantly different from that anticipated by the Company or the market;
2. a proposed acquisition or disposition of material assets to be announced by the Company;
3. significant foreign activities (or significant proposed foreign activities) by the Company in addition to those being undertaken in New Zealand;
4. events or occurrences that have an impact on the operations of the Company;
5. natural disasters or accidents that have particular relevance to the businesses of the Company or its major contractors;
6. significant changes in technology or the application of technology which could affect the Company's business;
7. resolving to pay a dividend, or a recommendation that no dividend be paid;
8. a material change in accounting policy adopted by the Company;
9. legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
10. any notification by a Ratings Agency that it will review the credit rating of the Company;
11. a change in the Company's financial forecast or expectation;
12. the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company;
13. changes in the Company's senior management or auditors;
14. any negative publicity;
15. entry by the Company or a company controlled by the Company into a new line of business or the discontinuance of a particular line of business; and
16. planning to undertake a significant financing or security issue (whether debt or equity) or to take other action with respect to outstanding securities (for example, share repurchase program, redemption of bonds) or any default on any securities.