

# **CONTINUOUS DISCLOSURE POLICY**

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# CONTINUOUS DISCLOSURE POLICY

## THE OBJECTIVE

The objective of the Continuous Disclosure Policy is to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules. Additionally, this policy aims to:

- a. ensure that information issued by the Company is issued to Shareholders and the market in a timely manner;
- b. to promote investor confidence in the integrity of the Group and its securities; and
- c. to generally promote investor protection and protection of the market.

## 1. CONTINUOUS DISCLOSURE

An ASX listed company is subject to the continuous disclosure requirements under the Corporations Act and the Listing Rules, in addition to the periodic and specific disclosure requirements in the Listing Rules.

The continuous disclosure obligation is contained in Listing Rule 3.1 and states that the continuous disclosure obligation will be breached by an issuer who intentionally, recklessly or negligently fails to notify ASX of information that:

- a. is not generally available; and
- b. a reasonable person would expect, if it were generally available, to have a material effect on the price or value of its securities.

Contravention of continuous disclosure obligations can extend to a person (director or executive) who is involved in a contravention of the continuous disclosure regime by a disclosing entity.

## 2. DISCLOSURE EXCEPTION

The continuous disclosure obligation is not applicable where:

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

To rely on the exception, the above 3 requirements must be satisfied. Should one of the exceptions no longer be applicable then the Company can no longer rely on these exceptions and must disclose the information immediately to the market.

## 3. COMPLIANCE

The Company will ensure compliance with this Policy and will:

- a.** disclose price sensitive information (as defined below) to ASX as soon as it becomes aware of that information;
- b.** ensure that the information is not false, misleading or deceptive so as to avoid creating what would constitute a false market; and
- c.** ensure that the information is disclosed clearly (expressed objectively), accurately and is complete.

In doing so the Company will ensure compliance with Listing Rule 15.7 that requires an entity not to release information to anyone until it has given the information to ASX and has received an acknowledgement from ASX that the information has been released to the market.

#### **4. PRICE SENSITIVE INFORMATION**

The Company will ensure that all price sensitive information is released to the market in accordance with the Listing Rules and in accordance with the Announcements Procedure in section 8 of this Policy.

Price sensitive information is information that:

- a.** a reasonable person would expect will have “a material effect on the value or price” of securities; and
- b.** if the information were publicly available “would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities”.

Price sensitive information includes information relating to a takeover bid or a merger, proposed acquisition or disposal of a material asset, material variations in earnings or profits from previously published forecasts, a material change to the business plan, loss of a material contract and major litigation.

#### **5. LOSS OF CONFIDENTIALITY**

Where confidentiality is lost as a result of a specific rumour or media comment then the Company will respond to media speculations to the extent that such responses are required to correct or prevent a false market. In determining whether confidentiality is lost the Company will look at previous announcements it had made and will consider any likely reaction of the market or particular investors to such speculation.

#### **6. ADMINISTERING CORPORATE GOVERNANCE COMPLIANCE**

This policy will be administered by the Board and key personnel as follows:

- a.** the Board will be involved in reviewing significant ASX announcements and ensuring and monitoring compliance with this policy;
- b.** the Company Secretary will be responsible for the overall administration of the Continuous Disclosure Policy and all communications with ASX;
- c.** other Employees will report any material price sensitive information to the Company Secretary and they will observe the Company’s no comments policy as set out below.

#### **7. COMPANY SECRETARY’S ROLE**

The Company Secretary is responsible for the overall administration of this Continuous Disclosure Policy particularly:

- a. ensuring that the Company is compliant with its disclosure obligations;
- b. all communications with ASX;
- c. reviewing proposed announcements and consulting with the Board and other advisors as necessary;
- d. implementing reporting processes for materiality of information;
- e. reporting on continuous disclosure issues regularly to the Board;
- f. keeping a record of ASX announcements;
- g. monitoring and reporting to the Board on the effectiveness of this policy in light of the ASX Recommendations; and
- h. regularly reviewing the Continuous Disclosure Policy in light of legislative changes or other developments.

## **8. ANNOUNCEMENTS PROCEDURE**

The Company's announcements to ASX will be managed in accordance with the following procedure:

- a. as soon as an Employee becomes aware of any price sensitive information the Board or the Company Secretary is to be notified;
- b. the Company Secretary will review and assess that information and determine whether it needs to be disclosed or whether it needs to be further discussed with the Board;
- c. if an announcement of price sensitive information is required the Company Secretary will prepare a draft announcement;
- d. the Company Secretary will provide the draft announcement to the Board for approval;
- e. following the approval of an announcement of price sensitive information by the Board, the Company Secretary will then lodge the announcement with ASX electronically; and
- f. after receiving acknowledgement from ASX that the announcement has been released the Company Secretary will ensure the announcement is accessible from the Company's website. This will be done within 24 hours of receiving that acknowledgement.

## **9. NO COMMENTS POLICY**

The Group has adopted a "no comments" policy in relation to any market speculation or rumours which must be observed by all Executives and Employees at all times. The Company may issue an announcement in response to a market speculation or rumour where it is necessary to do so to eliminate the possibility of a false market or contravention of the Listing Rules.

Where an Executive or Employee is approached by the media or any analysts or other external parties with respect to providing any information about the Group the general policy to be observed is a “no comments” policy and that Employee will notify the Company Secretary as soon as possible.

As part of the Company’s management of investor relations it may conduct briefings with analysts or investors from time to time. However, the Group’s policy for conducting these briefings will be to ensure that no material price sensitive information is announced prior to it being announced to the market. No briefing will be held during the pre-results periods. In addition, a procedure will be in place for the conduct of the briefings which will include that at any briefing at least 2 Employees must be present, notes of the briefing must be kept by an Employee attending and any information to be used at briefings must be signed off by at least two Directors prior to the briefing.

Where in the course of a briefing a question is raised that refers to price sensitive information that has not been previously disclosed the Executive or Employee must decline to answer the question but take the question on notice and advise the Board and the Company Secretary of the question.

## **10. RESPONDING TO ANALYST REPORTS AND FORECASTS**

If a draft report has been sent to the Group for comments the report should be forwarded directly to the Company Secretary. The Company will not endorse any reports, and will restrict any comments to factual matters and matters which have been previously disclosed to ASX.

## **11. TRADING HALTS**

The Company in certain circumstances may need to request a trading halt from ASX. The Chairman in consultation with the Board will make decisions in relation to trading halts and the only personnel authorised to request a trading halt on behalf of the Company will be the Chairman and the Company Secretary.

## **12. ADVISORS**

To ensure compliance with its listing obligations, the Company may from time to time require advisors to advise on its adherence to the Continuous Disclosure Policy. The Company may ask such advisors to sign a confidentiality agreement before disclosing any information to them.

## **13. CONTRAVENTION OF POLICY**

Non-compliance with the continuous disclosure obligations may constitute a breach of the Corporations Act and the Listing Rules. This may result in fines for the Company, personal liabilities

for Directors and other officers and damage to the Group's reputation. The Company takes continuous disclosure very seriously and will not tolerate any deviation from the Continuous Disclosure Policy by any Employee, Executive or Director and where a contravention arises will take disciplinary action against anyone involved. Disciplinary action may include dismissal.

## **14. SHAREHOLDER COMMUNICATIONS**

The Board aims to keep Shareholders informed of all major developments affecting the Group's activities and its state of affairs through announcements to ASX, releases to the media and dispatch of financial reports. All such announcements are also placed on the Company's website at [www.mainstreamgroup.com](http://www.mainstreamgroup.com).

These include:

- a. monthly net tangible asset backing announcements;
- b. the half year report;
- c. the full year report;
- d. the annual report;
- e. the notice of annual general meeting, explanatory memorandum and the Chairman's address;
- f. occasional ASX announcements made to comply with the Company's continuous disclosure requirements; and
- g. occasional correspondence sent to Shareholders on matters of significance to the Group.

The Board encourages full participation of Shareholders at the Annual General Meeting or any other general meeting to ensure a high level of accountability and identification with the Group's strategy and goals.

The Company's Annual Report is the main vehicle for communicating with Shareholders on the activities and performance of the Group in the previous 12 months. The Annual Report will be posted on the Company's website and will be downloadable.

## **15. ETHICAL STANDARDS/BUSINESS CONDUCT**

The Group actively promotes a set of values designed to assist all personnel in their dealings with each other, competitors, customers and the community. To this end, the Group has adopted a Code of Conduct policy and a Trading Policy.

## 16. DISCLOSURE

The following disclosure will be made to shareholders in the Company Annual Report:

1. the Board's assessment of independence or non-independence of each Director;
2. the reasons on which an assessment of independence is based where the Director does not meet the criteria specified in this policy; and
3. details of the relationships or circumstances that give rise to an assessment of a Director as non-independent.

The independence or non-independence of any Director standing for re-election at each Annual General Meeting will be disclosed in the Notice of Meeting.

If the Board's assessment of a Director's independence changes, that change will be disclosed to the market.