

# XTEK LIMITED BOARD OF DIRECTORS CORPORATE GOVERNANCE POLICY

## CONTINUOUS DISCLOSURE POLICY

Prepared by	Reviewed by	Approved by
Laurie Gardiner	All Directors	Uwe Boettcher
Company Secretary	Board of Directors	Chairman of the Board
Date: 30 Jan 2018	Date: 28 Mar 2018	Date: 28 Mar 2018
	Reviewed at Board Meeting	



## **1. Introduction**

- 1.1 XTEK Limited (**Company**) is a listed public company on the Australian Securities Exchange (ASX).
- 1.2 The Board of Directors are responsible for overall corporate governance policy and procedures in respect to continuous disclosure requirements.

## **2. Policy**

- 2.1 It is the policy of the Company to act at all times with integrity and in accordance with law, including the disclosure required of:
  - (a) Australian Securities Exchange (the “ASX”) Listing Rules;
  - (b) ASX Guidance Notes;
  - (c) ASX Corporate Governance Council Recommendations; and
  - (d) *Corporations Act 2001*.
- 2.2 The Company is committed to timely and balanced disclosure to ensure:
  - (a) that all investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance, and
  - (b) that all announcements made to the ASX are factual and presented in a clear and balanced manner.
- 2.3 In accordance with the ASX Listing Rules, the Company will immediately notify the ASX of information:
  - (a) concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company’s securities; and
  - (b) that 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.
- 2.4 The only exception to this is where the ASX Listing Rules do not require such information to be disclosed.
- 2.5 Upon confirmation of receipt from the ASX, the Company will post all information disclosed in accordance with this policy on the Company’s website in an area accessible by the public.

## **3. Procedures**

- 3.1 The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary will be responsible for ensuring that Company announcements are made in a timely manner and will establish a vetting procedure to ensure that the announcements are factual and do not omit any material information. The Company Secretary will also ensure that Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

- 3.2. To assist the Company Secretary fulfil the Company's disclosure requirements, the head of each business unit is responsible for immediately communicating to the Company Secretary and Managing Director any possible continuous disclosure matter concerning their business unit. The head of each business unit is responsible for ensuring that the information is provided as soon as they become aware of it and that it is factual and does not omit any material information. The head of each business unit will promptly respond to requests from the Company Secretary for further information concerning the possible continuous disclosure matter concerning their business unit.
- 3.3 Personnel who become aware of information along the lines of the examples set out below must refer that information to the Managing Director and the Company Secretary in the first instance.
- 3.4 The Company Secretary will then initiate the following actions:
- (a) verify the information and accuracy using third parties where necessary;
  - (b) seek legal advice if necessary;
  - (c) If disclosure is not required, file the relevant disclosure information.
  - (d) If disclosure is required, arrange for the preparation of a written announcement;
  - (e) circulate the proposed announcement to all Directors;
  - (f) seek approval for release from the Chairperson of the Board; and
  - (g) lodge the announcement with the ASX Company Announcements Office.
- 3.5 Following approval from the ASX the Company Secretary will ensure:
- (a) the distribution of the announcement to Directors, employees and wider audiences (e.g. media etc);
  - (b) posting of the announcement on the Company website as soon as practicable; and
  - (c) appropriate registering and filing of the announcement with the relevant disclosure information.

#### **4. Promoting and monitoring compliance**

- 4.1 The Company has a Continuous Disclosure Committee, comprising the following:
- (a) Managing Director;
  - (b) Company Secretary; and
  - (c) Chief Operating Officer.
- 4.2 The purpose of the Continuous Disclosure Committee is to promote and monitor compliance with the Company's continuous disclosure obligations and to ensure that all employees are aware of this policy. In addition, the Continuous Disclosure Committee is responsible for ensuring that the heads of each division/business unit are aware of the type of information that needs to be communicated and their obligation to communicate to the Company Secretary any possible continuous disclosure matter concerning their division/business unit.

- 4.3 The Continuous Disclosure Committee has overall accountability for the Company's compliance with the ASX Listing Rule disclosure requirements. A meeting of the Committee may be convened from time to time to consider particular continuous disclosure issues.
- 4.4 The Company Secretary is charged with monitoring compliance with this policy. As part of that monitoring, all major announcements to the ASX will be reviewed for compliance with this policy. A sample of routine public relations announcements will also be audited for compliance. These compliance reviews will be reported to the Continuous Disclosure Committee as part of their regular review of compliance.
- 4.5 Any possible non-compliance will be reported to the Board at its next meeting. The Company Secretary must notify both the Chairperson and the Managing Director at the earliest opportunity if there is a belief that a false market in the Company's securities either exists or has the possibility to exist.

## **5. Measures for seeking to avoid the emergence of a false market**

- 5.1 The Company recognises that a false market in the Company's securities may result if the Company provides incomplete information to the ASX or if the Company fails to respond to market and media speculation that may, or may be likely to, have an impact on the price of the Company's securities.
- 5.2 While the Company does not, in general, respond to market speculation or rumours unless required to do so by law or the ASX, the Company is committed to disclosing as much information as possible, without harming the Company, to a wide audience of investors through media releases of important milestones, including information that may not strictly be required under continuous disclosure requirements. Information given to the ASX for market release will also be provided to investors through media releases. Such media releases will be posted on the Company's website.
- 5.3 Where appropriate, the Company will request a trading halt from the ASX to prevent trading in the Company's securities by an inefficient and uninformed market until the Company can make an announcement to the market.

## **6. Safeguarding confidentiality of corporate information to avoid premature disclosure**

- 6.1 All employees are advised of the confidentiality of Company information. In addition, the Company imposes communication blackout periods for financial information between the end of financial reporting periods and the announcement of results to the market via the ASX.
- 6.2 To protect against inadvertent disclosure of price sensitive information, the Company does not hold meetings or briefings to discuss undisclosed financial information with individual investors, institutional investors, analysts or media representatives, unless such meetings or briefings are the subject of a specific announcement to the market via the ASX.

## **7. Media contact and comment**

- 7.1 The Board has designated the Managing Director or the Chairperson (where appropriate) to speak to the press on matters associated with the Company. In speaking to the press, the Managing Director or the Chairperson will not

comment on price sensitive information that has not already been disclosed to ASX, however, they may clarify previously released information.

- 7.2 To assist in safeguarding against the inadvertent disclosure of price sensitive information, the Managing Director and the Chairperson will be informed of what the Company has previously disclosed to the market on any issue prior to briefing anyone outside the Company.
- 7.3 The Chairperson is authorised to comment on:
- (a) Annual and half yearly results at the time of the release of the annual or half yearly report;
  - (b) Resolutions to be put to General Meetings of the Company;
  - (c) Changes in Directors, any matter related to the composition of the Board or Board processes;
  - (d) Any speculation concerning Board meetings or the outcomes of Board meetings;
  - (e) Other matters specifically related to shareholders.
- 7.4 The Managing Director is authorised to comment on:
- (a) The Company's future outlook
  - (b) Any operational matter;
  - (c) Product recalls, product failures and other media queries concerning operational issues which reflect either positively or negatively on the Company;
  - (d) Proposed or actual legal actions; and
  - (e) Queries and general discussion concerning the Company's industry.
- 7.5 There will be times when Directors and employees will be approached by the media for public comment. On such occasions, the Director(s) or employee(s) should comply with the following:
- (a) refer the person to the Managing Director or Chairperson of the Board as appropriate for comment;
  - (b) refrain from disclosing any information, documents or other forms of data to the person without the prior consent of the Managing Director or the Chairperson of the Board; and
  - (c) report the person who contacted the Director/employee, the reason (explicit or inferred) for the contact and a summary of any other relevant information as soon as possible to the Managing Director or the Chairperson.

## **8. External communications including analyst briefings and responses to shareholder questions**

- 8.1 The Company discloses its financial and operational results to the market each half year/quarter as well as informing the market of other events throughout the year as they occur. Quarterly financial reports, media releases and AGM speeches are all lodged with the ASX and subsequently posted to the Company's website. As all financial information is disclosed through the ASX, the Company will only comment on factual errors in information and underlying assumptions when commenting on market analysts' financial projections, rather than commenting on the projections themselves.

- 8.2 In addition to the above disclosures, the Company does conduct briefings and discussions with analysts and institutional investors. However, price sensitive information will not be discussed unless that particular information has been formally disclosed to the market via an ASX announcement.
- 8.3 After the conclusion of each briefing or discussion, it will be reviewed to determine whether any price sensitive information has been inadvertently disclosed. If any price sensitive information was disclosed, it will be announced immediately to the ASX and then posted on the Company's website.
- 8.4 Similarly, when answering shareholder questions, price sensitive information will not be discussed unless that particular information has been formally disclosed to the market via an ASX announcement. Where a question can only be answered by disclosing price sensitive information, the Company will decline to answer it or take it on notice and announce the information to ASX prior to responding.
- 8.5 If any new price sensitive undisclosed information is to be used in briefing media, institutional investors and analysts or in answering shareholder queries, written materials containing such information will be lodged with the ASX prior to the briefing commencing. These briefing materials may also include information that may not strictly be required under continuous disclosure requirements. The briefing material will be posted to the Company's website as soon as the ASX confirms that this information has been received.

## **9. Periodic Disclosure Policy**

- 9.1 The Company is committed to the full and accurate reporting of its financial results. Consequently, when complying with its periodic disclosure requirements, the Company will provide commentary on its financial results. The purpose of the commentary will be to clarify and balance the information in the financial results.
- 9.2 This commentary will be delivered in a manner that is neutral, free from any bias and easy to understand. This may involve the provision of both positive and negative information about the Company that the Company believes is necessary to keep investors fully informed.

## **10. Delegation of Authority**

- 10.1 To meet disclosure timing requirements, the following delegation applies:
- (a) The Company Secretary has the delegated authority to lodge all administrative documents with regulatory authorities (e.g. ASX Appendix 3X, ASIC Form 484 etc) for and on behalf of Directors and the Board.

## **11. Reporting to the Board**

- 11.1 A summary of all continuous disclosure issues dealt with in the period will be provided to the Board at each meeting by the Company Secretary.

## **12. Examples of Disclosable Information**

- 12.1 The following examples are situations where the Company would normally be required to provide information to the ASX:
- (a) information that is 'reasonably likely' to have a material effect on the price or value of XTEK securities, i.e.

- (i) could it 'influence' (it does not need to be decisive of) a buy or sell decision of an investor?
- (ii) would it result in a change of over 5% in the revenue, expenses or assets/liabilities of XTEK;
- (b) the execution of a formal contract or a joint venture;
- (c) a change in XTEK financial forecast or expectation;
- (d) a recommendation or declaration of a dividend or distribution;
- (e) a recommendation or declaration that a dividend or distribution will not be declared;
- (f) giving or receiving a notice of intention to make a takeover; or
- (g) an agreement between XTEK (or a related party or subsidiary) and a Director (or a related party of the Director).

12.2 There is no obligation to disclose information where:

- (a) reasonable person would not expect the information to be disclosed;
- (b) the information is confidential;
- (c) disclosure would breach a law; and
- (d) the information:
  - (i) concerns an incomplete proposal or negotiation;
  - (ii) is insufficiently definite to warrant disclosure;
  - (iii) is a trade secret; and
  - (iv) has been generated for internal management purposes of XTEK.

12.3 No notice to the ASX is required of preliminary discussions, 'in principle' agreements, or 'subject to finance' agreements where there is a real doubt about the finance being available, until such time as formal contracts are in place or the finance is secured.

12.4 As a general rule, if an employee is unsure of whether information is disclosable or not, then he or she should report the matter to the Company Secretary in the first instance.

### **13. Approved and adopted**

13.1 This policy was approved and adopted by the Board on 28<sup>th</sup> day of March 2018.

Date 28 March 2018

Signed:



Uwe Boettcher  
Chairman of the Board of Directors  
XTEK Limited