



ABN 55 009 686 435

## COMPANY POLICY

### Continuous Disclosure & Shareholder Communications

*Subject to yearly reviews by ACC Committee*

*Last Reviewed: August 2017*

Capilano is committed to:

- ensuring that all market participants have an equal opportunity to review and assess material information made available by the Company; and
- compliance with the continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001* (Cth) (the **Corporations Act**).

This document sets out the Capilano Continuous Disclosure and Shareholder Communications Policy. The Policy outlines:

- The Company's continuous disclosure obligations under the ASX Listing Rules and Corporations Act;
- how Capilano Personnel are required to deal with potentially price-sensitive information, and communications with external stakeholders such as the media, security holders and the community to ensure that the Company meets its continuous disclosure obligations; and
- the Company's shareholder communications policy generally.

The Policy applies to:

- all Directors of Capilano; and
- all employees, contractors and consultants of Capilano,

together referred to as **Personnel**.

Appendix A provides an overview of the continuous disclosure process.

### Continuous Disclosure

#### Capilano's Continuous Disclosure Obligation

ASX Listing Rule 3.1 requires Capilano to immediately disclose to the market any information concerning the Company of which it is or becomes aware that a reasonable person would expect to have a material effect on the price or value of the Company's securities (**Price Sensitive Information**), unless the information falls within the exceptions set out below.

For the purposes of Listing Rule 3.1:

- a reasonable person would expect information to have a material effect on the price or value of Capilano's securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether to subscribe for, acquire or dispose of Capilano's securities;
- Two questions can be considered when determining whether information may be Price Sensitive Information:
- a) Would this information influence my decision to buy or sell securities in the Company at their current market price?
  - b) Would I feel exposed to an action for insider trading if I were to buy or sell securities in the entity at their current market price, knowing this information had not been disclosed to the market?
- Capilano will be considered to have become aware of information where a director or officer of the Company has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or officer of Capilano; and
  - "Immediately" means promptly and without delay, i.e. doing it as quickly as possible in the circumstances and not deferring, postponing or putting it off to a later time.

If ASX considers that there is or is likely to be a false market in an entity's securities, and asks the entity to give it information to correct or prevent a false market, the entity must immediately give ASX that information.

## **COMPANY POLICY**

### **- Continuous Disclosure & Shareholder Communications (continued)**

#### **Exceptions to Listing Rule 3.1**

Capilano is not required to disclose Price Sensitive Information if:

- a) one or more of the following situations applies:
  - it would be a breach of the 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 internal management purposes; or
  - the information is a trade secret; and
- b) the information is confidential and 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.

If any of the three elements outlined above ceases to apply in relation to Price Sensitive Information, Capilano must disclose that information immediately.

#### **False Market Obligation**

If ASX considers that there is, or is likely to be, a false market in the Company's securities and asks Capilano to give it information to correct or prevent a false market, Capilano must immediately give that information to ASX. This obligation to give information to ASX arises even if the Company considers that the exception outlined in paragraph 1.2 applies.

#### **Confidentiality**

If information is not disclosed in reliance on the confidentiality exceptions as outlined above, the confidentiality requirement must be maintained at all times. If information loses its confidentiality, Capilano will then need to consider and determine whether the information needs to be disclosed to the market. If a movement in the price of Capilano's securities is related to the unauthorised disclosure of confidential information, the Company may be required by ASX to take action to ensure Capilano is in compliance with its disclosure obligations, specifically to prevent a false market.

All Personnel have a duty not to disclose confidential information to any person other than with the express consent of the Company or in circumstances required by the law. This obligation is set out in Capilano's Code of Conduct which is to be observed by all Personnel.

Where confidential information is to be provided to another party, measures must be put in place to ensure that the confidentiality of the information is maintained, such as a legally binding confidentiality agreement.

#### **Is Disclosure Required?**

To ensure the Company complies with its continuous disclosure obligations, Personnel must notify the Chairman or Managing Director or Company Secretary of any information that may have a material effect on the price or value of Capilano securities as soon as they become aware of that information.

The senior management of Capilano are expected to continuously consider potential disclosure issues and compliance with the Company's continuous disclosure obligations.

The Chairman or Managing Director and Company Secretary, acting together with the other officers where necessary, will consider whether information needs to be disclosed, taking into account the law, the ASX Listing Rules and market expectations.

If a disclosure is necessary, the disclosure must be approved by the Board or a person or committee of persons as delegated by the Board, or in the case of a routine administrative matter, the Company Secretary.

#### **Making a Disclosure**

If there is information that requires disclosure under Listing Rule 3.1, Capilano will immediately disclose that information to ASX.

The information will be provided to ASX first, and Capilano will not give it to anyone else until the information has been given to ASX and ASX acknowledges that it has been released to the market. Once the information has been released, Capilano can issue the information to other parties, such as the major investors or the media. The information will also be placed on the Company's website.

Information must not be given to third parties such as media or analysts before ASX, even on an embargoed basis.

#### **Authorised Spokespersons**

The only persons authorised to speak to ASX or externally (such as analysts, investors, brokers or shareholders) in relation to the Company are the:

- Chairman;
- Managing Director;
- Company Secretary; and
- General Manager Finance.

Authorised spokespersons must comply with this Policy and any internal procedures regarding external communications about Capilano.

The Board or a person or committee of persons as delegated by the Board, has authority to approve the release of an announcement to be made to ASX to comply with the Company's Continuous Disclosure obligations, other than routine administrative announcements which may be made by the Company Secretary.

Where any other person receives a request for information or comment about Capilano from a third party, that person must advise the third party that they are not authorised to speak on behalf of the Company, and where appropriate they should refer the enquiry to an authorised spokesperson.

#### **Market Speculation & Rumours**

As a general policy, Capilano does not comment on speculation or rumours unless a response is required under the ASX Listing Rules or the law. If ASX forms the view that a false market has been created and requests the Company to provide information, the Chairman or Managing Director or Company Secretary will proceed as if it were a continuous disclosure matter and prepare a response to ASX.

#### **Trading Halts**

Capilano may request a trading halt or suspension of quotation of securities pending an announcement, to prevent trading in the Company's securities in an unfair or uninformed market. The Managing Director and Company Secretary will determine whether to apply for a trading halt, in consultation with the Chairman.

#### **Inadvertent Disclosure**

If any Price Sensitive Information is inadvertently disclosed by Capilano Personnel to a party outside the Company, the Chairman or Managing Director or Company Secretary must be immediately notified so that the information can be considered in the context of Capilano's continuous disclosure obligations.

## COMPANY POLICY

### - Continuous Disclosure & Shareholder Communications (continued)

#### Specific Price-Sensitive Information

During Black Out Periods and Other Black Out Periods as defined in the Company's Securities Trading Policy, the Company will not hold any briefings with the investment community to discuss the Company's financial information.

Capilano Personnel must comply with the Capilano Securities Trading Policy, which includes the provision that Key Personnel (as defined in the Policy) may not deal in the Company's securities during Black Out Periods and Additional Black Out Periods.

Where the Company is undertaking a specific corporate transaction which constitutes Price Sensitive Information, the Company will obtain assurances from third parties to ensure that any Price Sensitive Information remains confidential, including where necessary requiring parties to enter into confidentiality agreements.

#### Briefings

From time to time, the Company communicates with members of the investment community including institutional and retail investors, analysts and investment banks. Capilano may also make presentations at investment conferences. These communications are restricted to appropriately authorised Capilano spokespersons.

Material or Price Sensitive Information will not be provided to or discussed with members of the investment community before it has been disclosed to ASX. If there is any possibility that material or Price Sensitive Information will be disclosed at a briefing for members of the investment community, then the relevant material information will be disclosed to ASX prior to the briefing.

With the exception of briefings that are open and have previously been disclosed to ASX, if any material or Price Sensitive Information that has not already been disclosed has been inadvertently disclosed, the information will be immediately disclosed to ASX and posted on the Capilano website.

All enquiries from the investment community regarding Capilano should be referred to the Managing Director of Company Secretary.

#### Media and Social Media

Capilano provides information from time to time to the media and responds to their enquiries. All media enquiries must be referred to the Managing Director. The Company will not provide material information to the media, even on an embargo basis, before it has been disclosed to ASX.

The Company will monitor the media, including social media, to determine if there are any issues which may require the Company to make an announcement or take other action to manage its continuous disclosure obligations.

Personnel are required to comply with Capilano's Code of Conduct, which includes the Company's policy regarding the use of social media.

## SHAREHOLDER COMMUNICATIONS

#### Overarching Principles

In accordance with Principle 6 of the *ASX Corporate Governance Council's Principles and Recommendations* (the **Recommendations**), Capilano is committed to providing shareholders with the necessary information and facilities to allow them to exercise their rights effectively, including:

- providing shareholders with ready access to information about Capilano and its governance;
- communicating openly and honestly with them; and
- encouraging and facilitating shareholder participation in shareholder meetings.

#### Corporate Governance – Website

In accordance with Recommendation 6.1, Capilano has a Governance section on its website to provide information to shareholders about its corporate governance practices.

The Corporate Governance section includes the Company's constitution, the Board and Board Committee Charters, key Company policies and its most recent annual Corporate Governance Statement. The Corporate Governance Statement is prepared in accordance with the ASX Listing Rules and is also provided to ASX separately to the annual report, together with an Appendix 4G to ensure that the disclosures made regarding the Recommendations are readily identifiable and easily located by shareholders and other stakeholders.

#### Annual General Meetings

The Capilano Annual General Meeting (**AGM**) is usually held in November each year. The date, time and location of the AGM are provided in the:

- Notice of Meeting sent to all shareholders; and
- Investor section of the Capilano website.

The Notice of Meeting is distributed to all shareholders in accordance with the timeframe provided in the Corporation Act. The documents are also made available in the Investor section of the Capilano website.

Capilano welcomes and encourages shareholder participation at the AGM, in person, by proxy or other legally appointed representative, or any other means that may be adopted by the Board. Shareholders who are unable to attend the AGM are given the opportunity to submit questions and comments ahead of the meeting, and where appropriate those questions will be answered at the meeting.

The practices outlined above also apply to any other general meetings which may be held.

The Company's external auditor attends each AGM and is available to answer shareholder questions about the conduct of the audit and preparation and conduct of the Independent Audit Report. Capilano believes this is important in both promoting and encouraging shareholder participation in the meeting and providing balanced and understandable information. The Company also considers that this reflects and underlines the role of the auditor and the auditor's accountability to shareholders.

#### Reports

The Company's financial results for each full year ended 30 June are reported in August each year, and the financial results for each half year ended 31 December are reported in February each year. These results are released to ASX in accordance with the Listing Rules and are available in the ASX announcements section of the Investor section of the Company website.

Capilano's Annual Reports are sent in hard copy to all shareholders who have specifically requested a hard copy. Annual and Half Yearly Financial Reports in relation to prior years are also made available in the Investor section of the Company website. Shareholders can elect to be notified by email when a new Report is available.

#### Media Releases and Other Information

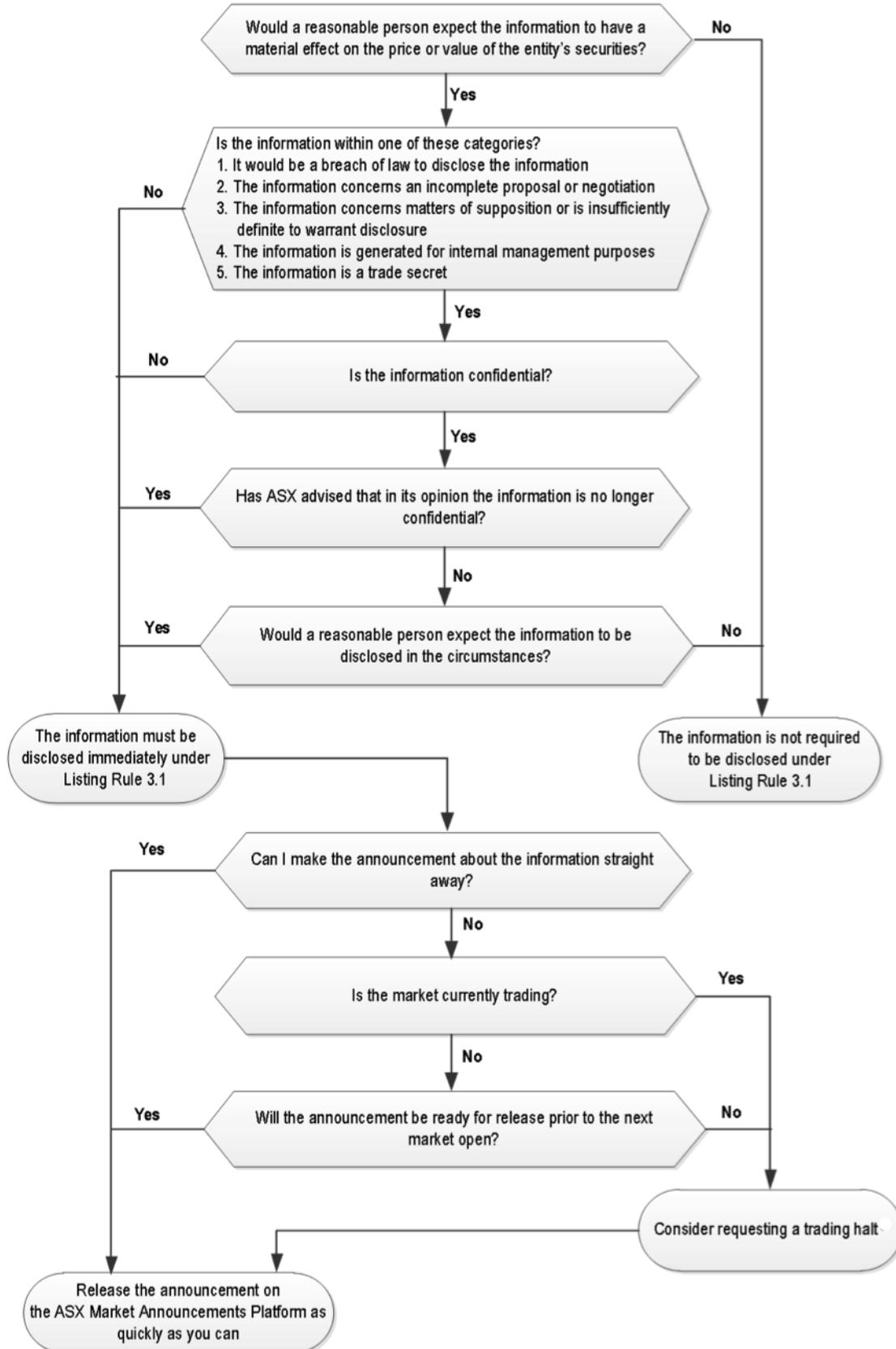
Capilano's media releases are available on the Company's website, and are also released to the market if required under the ASX Listing Rules.

**COMPANY POLICY**

**- Continuous Disclosure & Shareholder Communications (continued)**

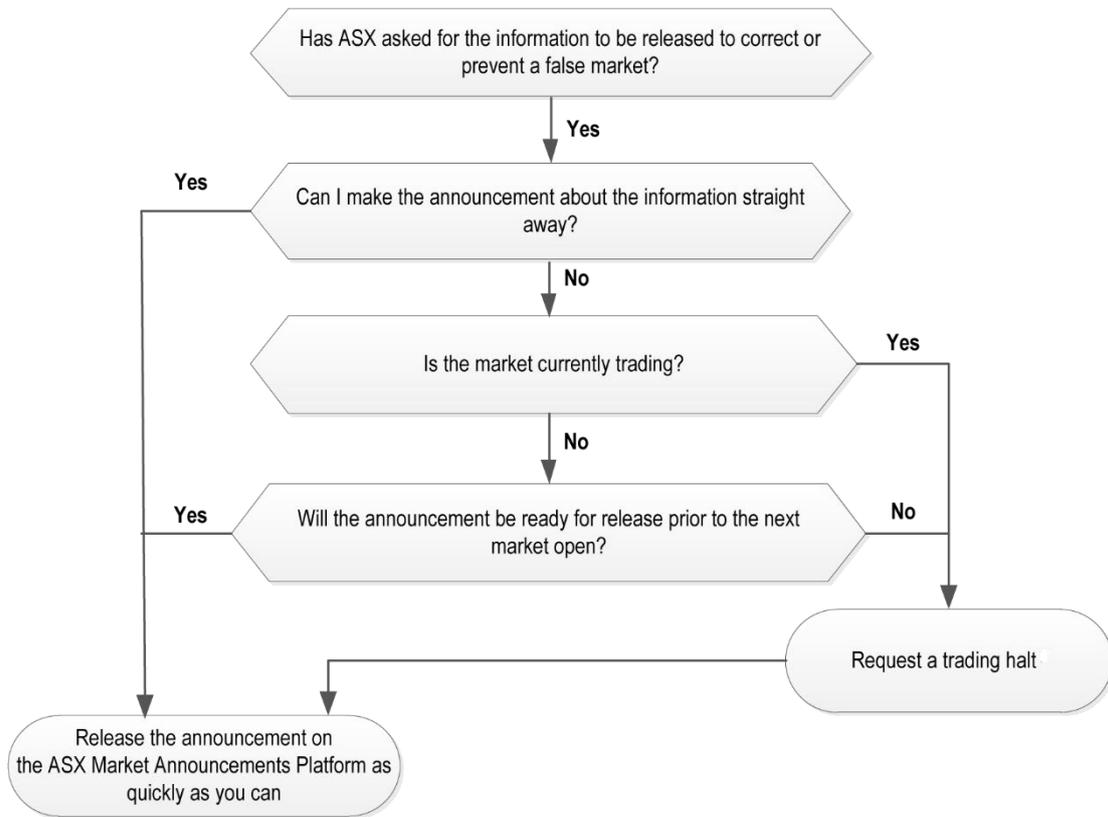
APPENDIX A

**OVERVIEW OF THE CONTINUOUS DISCLOSURE PROCESS**



**COMPANY POLICY**

**- Continuous Disclosure & Shareholder Communications (continued)**



Source: ASX Listing Rules – Guidance Note 8 Continuous Disclosure