



## **CONTINUOUS DISCLOSURE POLICY**

---

**LAWFINANCE LIMITED**  
(ACN 088 749 008)

**31 December 2018**

## 1 COMMITMENT TO DISCLOSURE AND PURPOSE

LawFinance Limited (**Company**) and its related companies (**Group**) are committed to providing timely, complete and accurate disclosure of information to allow a fair and well-informed market in its securities, and compliance with the continuous disclosure requirements imposed by law including the Corporations Act, the ASX Listing Rules and any other exchange or market in which the Company's securities are offered.

The purpose of this policy is to:

- (a) assist the Company to comply with its continuous disclosure obligations imposed by law including the Corporations Act and ASX Listing Rules;
- (b) design procedures so that all shareholders have equal and timely access to material information about the Company and its prospects; and
- (c) assist the Company and individual officers to comply with the Continuous Disclosure Rules (which carry serious penalties).

To achieve these purposes, this policy sets out the Company's processes for:

- (a) identifying all material information;
- (b) reporting such material information to the Company Secretary and CEO; and
- (c) providing timely disclosure of material information.

## 2 APPLICATION OF THIS POLICY

This policy applies to:

- (a) all Directors of the Company;
  - (b) all employees of the Group, whether full or part time or casual; and
  - (c) all contractors and consultants working for the Group,
- (each **Group Personnel**).

Although the key continuous disclosure obligations arise under the Corporations Act and the ASX Listing Rules, the application of this policy extends to all Group Personnel.

## 3 CONTINUOUS DISCLOSURE OBLIGATIONS

### 3.1 Disclosure obligations

The Company is listed on ASX and must comply with the continuous disclosure obligations in the ASX Listing Rules. These obligations have the force of law under the Corporations Act. In accordance with ASX Listing Rule 3.1, the Company is required immediately to notify the ASX of any information of which it becomes aware, and that

a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company unless an exception under the Listing Rules applies (as described below). Disclosure is made by making an announcement to the market announcements platform on ASX.

The Company becomes aware of information if any of its Directors or officers has, or ought reasonably to have, come into possession of the information while performing his or her duties as a Director or officer of the Company.

### **3.2 Exceptions**

The Continuous Disclosure Rules contain specific exceptions which, if applicable, mean that disclosure may be not required or is deferred. The exceptions under Listing Rule 3.1A provide that disclosure under Listing Rule 3.1 is not required where all of the following three conditions are satisfied:

- (a) one or more of the following conditions apply:
  - (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 matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for the internal management purposes of Company; or
  - (v) 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.

The obligation to disclose the information arises even though two of the above three requirements remain satisfied.

Whether such an exception applies in any specific circumstance will be decided by the CEO. If an exception might apply this does not qualify or change the obligation on every Group Personnel member to communicate or report material information under this policy. All Group Personnel must maintain and keep all material information strictly confidential until it is released to ASX and becomes generally available.

If material information is no longer confidential (for example, if it is reported or referred to in the media or any information agency screens, or is discussed on social media platforms), once they become aware, Group Personnel must inform the CEO immediately to allow the Company to comply with its continuous disclosure obligations.

### **3.3 Reporting to the CEO**

On becoming aware of information that:

- (a) is material information; and
- (b) is not generally available (i.e. the information in question has not been included in any Annual Report, ASX announcement or other Company release or publication), Group Personnel must provide the CEO with as much detail about the matter or information as is reasonable in the circumstances and a brief description of why the information does or may have a material effect on the price or value of Company securities. Such examples include:
  - (i) a general outline of the matter or information;
  - (ii) details of the relevant parties;
  - (iii) the date(s) of the relevant event or transaction giving rise to the information;
  - (iv) the general status (e.g. final negotiations/negotiations currently progressing/preliminary negotiations only);
  - (v) the approximate value of the transaction or event giving rise to the information;
  - (vi) the approximate effect on the Company's business, finances, operations or reputation; and
  - (vii) if relevant, the names of any in-house or external advisers involved.

A list of matters that may be considered material is set out in Annexure A. This list is only indicative and should not be seen as an exhaustive list of the matters that should be considered for disclosure.

Group Personnel should also inform the CEO or Company Secretary if they consider or are aware of any prior disclosure to the ASX which is inaccurate or incomplete.

## **4 DISCLOSURE OF MATERIAL INFORMATION**

### **4.1 ASX announcements**

- (a) Authority to approve ASX announcements

Any release which relates to a matter which is both material and strategically important for the Company must be approved by the Board.

Any other release considered under this policy which includes disclosure of a profit projection or forecast must be approved by the Board. All other Directors will be notified of any proposed meeting of that committee and will be invited to attend and participate in the approval decision.

Except as described above, the CEO has the authority to approve and is accountable for the disclosure of non-material and non-price sensitive announcements to the market.

(b) Disclosure to the ASX

The Company Secretary will coordinate the disclosure to ASX once a decision to make that disclosure has been made in accordance with section 4.1(a) of this policy.

The Company must not release material information publicly until it has been disclosed to the ASX and received confirmation from the ASX, as notified by the Company Secretary.

The Company will not engage in selective or differential disclosure of material information, or disclose any material information under an embargo arrangement that it intends to make public at a later time. All releases to the ASX will be promptly posted on the Company's ASX website by the company secretary.

## **4.2 Analyst/investor meetings**

The Company recognises the importance of its relationships with investors and analysts. From time to time the Company conducts analyst and investor briefings. In these cases the following approach is adopted:

- (a) all communications with market analysts will be conducted by the CEO or other person approved by the CEO;
- (b) no material information will be disclosed at these briefings unless it has been previously or simultaneously released to the ASX. Copies will also be placed on the Company's website. Prior to any such presentations being used, its content will be reviewed for any new material and an appropriate record will be kept of this review, which record will be maintained by the Company Secretary;
- (c) questions at briefings that deal with material information not previously disclosed will not be answered;
- (d) if material information is inadvertently released during a briefing, it will immediately be released to the ASX;
- (e) a record of all meetings and briefings with investors or analysts will be kept, including confirmation that no new material information was disclosed; and
- (f) all meetings with shareholder advisory groups or shareholders in conjunction with the Annual General Meeting will be conducted by a Director that the board authorises, who will usually be the Chairman and/or the Chairman of the Remuneration Committee.

## **4.3 Analyst reports and estimates**

The Company will not generally comment on analyst forecasts or earnings projections. However factual errors or underlying assumptions may be corrected when that does not involve providing material information that is not common knowledge or has not been previously disclosed to the ASX.

Forecast information will not be provided by the Company unless it has already been disclosed to the ASX.

#### **4.4 Pre-results periods**

To prevent the inadvertent disclosure of material information, during the periods between the end of the Company's financial reporting periods and the announcement of its results, the Company's Directors and management may not discuss any financial information, broker estimates or forecasts with investors, analysts or the media unless that information has previously been disclosed to the ASX.

Additional periods in which interviews or presentations are not permitted without prior approval from a Director may be imposed. The relevant Company Personnel will be notified of any such additional periods.

#### **4.5 Media**

The Company periodically issues information to the media and other external communication channels. No material information will be released (even on an embargoed basis) before it has been disclosed to the ASX.

All continuous disclosure communications with the media must be conducted by the Executive Chairman, or a person authorised by them, and only to the extent of that authorisation.

#### **4.6 False market**

Under ASX Listing Rule 3.1B, the Company is required to make a clarifying statement or announcement to the ASX in circumstances where the ASX considers that there is, or is likely to be, a false market in the Company's securities, and requests information from Company to correct or prevent the false market. The Company is required to provide this information even if an exception to the Continuous Disclosure Rules applies.

Therefore, if any Company Personnel become aware of information that is based on rumour or speculation that may give rise to a false market in Company's securities, that person should provide such information to the Executive Chairman or Company Secretary (with as much detail as is reasonable in the circumstances), including, for example:

- (a) detail of the rumour or speculation;
- (b) the source of the information; and
- (c) the estimated effect of the information (if true) on Company's business, finances, operations and/or reputation (if known).

On media speculation, the Company has a strict "no comment" policy which must be observed by all employees. The Company may only make a statement about or respond to speculation or rumour where the Company considers that it is obliged or required to do so. The Disclosure Committee will decide if a response is required.

#### **4.7 Trading Halts**

The Company may ask any exchange to halt trading in its securities to manage disclosure issues, thereby facilitating a fair and informed market in Company's securities.

No employee is authorised to initiate a request for a trading halt other than through the Company Secretary (who must obtain Chairman's approval before making the request of the ASX), except in the case of emergency or unavailability, where the Company Secretary must obtain the approval of any member of the Board.

#### **4.8 Accountability**

The Company Secretary is accountable for:

- (a) providing guidance to determine what constitutes material information under this policy;
- (b) providing advice as to disclosure of material information, responding to queries with the ASX and ASIC, or reacting to claims of market rumours or speculation; and
- (c) disclosing material information to the exchange, once a decision to make that disclosure has been made in accordance with this policy.

The Company Secretary is responsible for communication with the ASX, including in relation to ASX Listing Rule matters.

The Company Personnel set out below may have heightened accountability for ensuring that material information is disclosed to the CEO and Company Secretary under this policy:

- (a) all Directors of the Company; and
- (b) any other senior executive who has authority and responsibility for planning, directing and controlling the activities of the Company.

#### **4.9 Compliance**

All Company Personnel must comply with this policy.

The Company will contravene its continuous disclosure obligations if it fails to notify the ASX of information required by ASX Listing Rule 3.1.

Either the ASX or ASIC may take action upon a suspected contravention of the ASX Listing Rules or the Corporations Act.

Serious criminal and civil penalties apply for failure to comply with the continuous disclosure obligations, both at the Company level and for individuals.

Any known or suspected instances of non-compliance will be reported to the Company Secretary and CEO for full investigation and appropriate disciplinary action. Employees should be aware that breaches of this policy may result in summary dismissal and may also attract civil penalties under the Corporations Act.

## **ANNEXURE A – MATERIALITY GUIDELINES AND KEY TERMS**

The Company must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by Company (this is known as “material information”).

### **1 MATERIAL INFORMATION**

1.1 Set out below is a non-exhaustive indicative list of matters that may give rise to an obligation to make disclosure to the market. Any information which may be material must be notified to the Company Secretary, who will determine, in conjunction with the Executive Chairman (as appropriate) whether disclosure is required.

1.2 Matters which may require disclosure, if material, include:

- (a) the financial condition, results of operations, the Company issued forecasts and earning performance of the Company or a controlled entity, which are significantly different from that anticipated by the Company or the market;
- (b) acquisitions or disposals of material assets by the Company and the entities it controls;
- (c) significant events or occurrences that may have a material impact on the operations of the Company or the entities it controls;
- (d) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by Company or the entities it controls;
- (e) an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director);
- (f) changes in the Company’s senior management or auditors;
- (g) a significant financing or security issue (whether debt or equity) or other action with respect to outstanding securities (such as a share repurchase plan or redemption of bonds) or any default on any securities; and
- (h) a proposed dividend or a change in the dividend policy.

### **2 KEY TERMS**

#### **2.1 Material effect**

- (a) 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 or buy or sell the securities.

- (b) In forming a view as to whether a reasonable person would consider such information to be material, the Company's previous disclosure to the market should be considered (for example, information previously released to the market such as profit expectations, commentary on projected results, or detailed business plans or strategies).

## **2.2 Information that is generally available**

- (a) In general the disclosure obligation will not apply where the information is generally available. However, the impact of information that is generally available on the Company may be such that it is likely to have a material effect on the price or value of the Company's securities. If the information that is generally available is likely to have a material impact on the Company, the disclosure obligation will apply and the impact or effect must be disclosed.
- (b) Information is usually considered to be generally available if:
  - (i) it consists of a readily observable matter, or
  - (ii) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by Company and a reasonable period for it to be disseminated among such persons has elapsed, or
  - (iii) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

For example, information will be generally available if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the public and a reasonable time has elapsed after the information has been disseminated in one of these ways.