

Continuous Disclosure Policy & Procedures ASX Listing Rule 3.1

1 Introduction

This paper sets out the policy and procedures adopted by the Board of Sirius Telecommunications Limited (**Company**) in order to comply with their continuous disclosure obligations under the Corporations Act 2001 and ASX Listing Rules.

This policy sets out the procedure for:

- executives identifying material price sensitive 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 (which carry serious penalties).

The insider trading provisions of the Corporations Act may apply to an action being contemplated by the Company, such as a capital raising or rights issue, and in these circumstances a higher level of disclosure may be required.

This Continuous Disclosure Policy does not address guidelines for directors and senior executives in buying and selling securities in the Company. These guidelines are set out in the Company's Share Trading Policy.

2 Continuous Disclosure Policy

The Company has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities 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 (ie. to analysts, the media or customers) before it is announced to the ASX.

2.1 The Policy

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

- (a) the Company Secretary will co-ordinate monitoring continuous disclosure;
- (b) each member of the Company's Executive must ***IMMEDIATELY*** notify the Company Secretary as soon as they become aware of information that should be considered for release to the market (**material information**).
- (c) The Company Secretary will:

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- (1) review the material information reported by senior management;
- (2) consult with the CEO and, where appropriate the Directors, to determine what action, if any, is appropriate;
- (3) determine, in consultation with the CEO, the Chairman of the Board or other members of the Executive whether any of the material information is required to be disclosed to the ASX; and
- (4) co-ordinate the actual form of disclosure with the relevant members of management.

If a senior manager becomes aware of material information, this policy obliges the senior manager to notify the CEO. It is not necessary for the senior manager to consider whether an exemption to the requirement to disclose may apply.

2.2 Your Obligations

As soon as you become aware of information that:

- is not generally available (ie. 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 (ie. it is likely to have a financial or reputational impact upon the Company that may be considered material), you must provide to the CEO and 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 involved in the matter in accordance with the policy and procedures set out in clause 2.1.

2.3 Persons to Whom this Policy Applies

This policy applies to:

- (a) all directors of the Company;
- (b) senior management of the Company (incorporating, the Executive, senior management of the Company within the corporate office, and other nominated staff), after making appropriate enquiries of the employees who report to them.

2.4 Analyst/Media Briefings

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

Material information must not be selectively disclosed (ie. to analysts, the media or customers) prior to being announced to the ASX. If you are proposing to present any material information to analysts, journalists or customers, you should ensure that copies

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of your material are provided to the Company Secretary prior to presenting that information externally.

All inquiries 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. All media releases must be approved by or referred through the CEO 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 prior to release to journalists or other professional bodies.

2.5 Interview / Briefing Black-out Period

No interviews or presentations should be given in the two month period leading up to the annual results announcement or in the one month period before the publication of any other results or outlook without the specific permission of the CEO.

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

The CEO, in consultation with the Company Secretary, will determine whether any such presentations should be released to the ASX.

Additional 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 additional interview/briefing black-out period.

3 Legal Obligations

3.1 Introduction

The Corporations Act 2001 and the ASX Listing Rules require the Company, as an entity listed on the ASX, to comply with continuous disclosure obligations.

The sources of the Company's continuous disclosure obligations are:

- the ASX Listing Rules (particularly Listing Rule 3.1); and
- the continuous disclosure provisions contained in the Corporations Act 2001 (in particular, sections 674-678).

3.2 Roles and Responsibilities of ASX and ASIC

ASIC and the ASX jointly administer the continuous disclosure regime for entities listed in Australia. The ASX is responsible for administering the Listing Rules while ASIC is responsible for enforcing the Corporations Act 2001.

3.3 Disclosure Obligations

(a) ASX Listing Rule 3.1

ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of:

Any information of which the Company becomes aware, concerning the Company that a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company.

(b) Material effect on the price of securities

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, buy or sell the securities.

In forming a view as to whether a reasonable person would consider information to be material, previous disclosure to the market should be considered, for example previously released profit expectations, commentary on likely results, or detailed business plans or strategies to the market.

An indicative (but not exhaustive) list of matters that may be considered material is set out in Annexure A.

(c) Information in the Company's Knowledge

The Company becomes **aware of information** if any of its directors or executive officers has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a director or executive officer of the Company.

This disclosure obligation does not generally apply where the information is externally determined or generally available. However, the impact of information that is generally available on the Company (for example, the impact of a material change in the A\$ value) may be such that it is likely to have a material effect on the price or value of the Company's securities. If the generally available or exogenous information is likely to have a material impact on the Company the disclosure obligation will apply and the impact or effect must be disclosed.

Information is usually considered "generally available" if:

- (1) it consists of a readily observable matter; or
 - (2) 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 the Company and a reasonable period for it to be disseminated among such persons has elapsed; or
 - (3) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.
- (d) **Release of Information to Others**

The Company must not release material price sensitive information to any person (for example, to brokers, analysts, the media, professional bodies or any other person) until it has given the information to the ASX and has received an acknowledgment that the ASX has released the information to the market (Listing Rule 15.7).

3.4 Exceptions to ASX Disclosure Obligations

Disclosure under Listing Rule 3.1 is not required where *each* of the following conditions is and remains satisfied:

- (1) a reasonable person would not expect the information to be disclosed; *and*
- (2) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; *and*
- (3) *one or more* of the following conditions apply:
 - (a) it would be a breach of a law to disclose the information;
 - (b) the information concerns an incomplete proposal or negotiation;
 - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (d) the information is generated solely for the internal management purposes of the Company; or
 - (e) the information is a trade secret.

As soon as any of these elements are no longer satisfied (for example, the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligations. The obligation to disclose the information arises even though two of the above three requirements remain satisfied (ASX Listing Rule 3.1A).

3.5 False Markets

If ASX considers that there is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, then the Company must give ASX the information needed to correct or prevent the false market (ASX Listing Rule 3.1B).

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The Company is also required to make a clarifying statement to the ASX in circumstances where the Company becomes aware that speculation or comment is, or is likely to, create a false market in the Company's securities.

The obligation to give information under this rule applies, even where an exception described above in part 3.4 applies.

The ASX does not expect the Company to respond to all media comment and speculation. However, when:

- media comment or speculation becomes reasonably specific; or
- there is evidence that, or ASX forms the view that, the rumour or comment is likely to have an impact on the price of the Company's securities, for example, the market moves in a way that appears to be referable to the comment or speculation, the Company has a positive obligation to make disclosure to prevent a false market being formed.

4 Management of the Policy

4.1 ASIC/ASX Guidance

ASX has issued a guidance note on continuous disclosure and the ASX and ASIC have prepared and issued guidance principles, which suggest practical steps that listed entities can take to ensure that they meet their continuous disclosure obligations.

The ASX Guidance Note outlines the best practice approach that should be adopted towards continuous disclosure. Specifically, the Listing Rules are to be interpreted:

- in accordance with their spirit, intention and purpose;
- by looking beyond form to substance; and
- in a way that best promotes the principles on which the Listing Rules are based.

The ASIC guidance principles suggest:

- keeping to a minimum the number of directors and staff authorised to speak on the Company's behalf;
- appointing a senior officer to have responsibility for ensuring compliance with the Company's continuous disclosure obligations. This officer should be aware of information disclosures in advance, including information to be presented at private briefings; and
- that procedures should be implemented which will ensure that price sensitive information is released first to the ASX before disclosing it to parties outside the Company.

The Company has formally nominated the Company Secretary as the person with primary responsibility for lodgements of all communications with the ASX.

4.2 Specific Responsibilities

The Company Secretary is 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, the Chairman of the Board and the Board in relation to the form of any ASX releases;
- (d) liaising with the CEO, the Board of Directors or the Executive as appropriate, in relation to the disclosure of information;
- (e) keeping a record of all ASX and other releases that have been made; and
- (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.

5 Contraventions and Penalties

5.1 Contravention

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

If the Company contravenes this obligation 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 (there may be civil and criminal implications arising from a contravention). In addition, the Criminal Code applies to an offence based on a contravention of this obligation where either intention or recklessness or both can be shown.

5.2 Liability and Enforcement – Penalties for Breach

(a) The Company

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; and
- de-listing from the ASX.

There is a no fault element required to establish civil liability. However, a court has power to relieve a person from civil liability if the person acted honestly and in the

circumstances the person ought fairly to be excused for the contravention. ASIC can also institute proceedings under the ASIC Act 1989.

(b) Others

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.

(c) Enforcement

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 (section 793C(2) Corporations Act) 2001).

(d) Unwanted Publicity

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.

Annexure A – Information Disclosure Requirements

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 the Company. Set out below is an illustrative list of matters that may give rise to an obligation to make disclosure. Any such matter must be notified to the CEO, who will determine whether disclosure is required.

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 or a controlled entity, 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, a controlled entity or joint venture partner;
- 3 significant foreign activities (or significant proposed foreign activities), by the Company or a controlled entity;
- 4 events or occurrences that have an impact on the operations of the Company or a controlled entity;
- 5 natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
- 6 significant changes in technology or the application of technology which could affect the Company's business;
- 8 resolving to pay a dividend, or a recommendation that no dividend be paid;
- 9 a material change in accounting policy adopted by the Company;
- 10 legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
- 11 any notification by a Ratings Agency that it will review the credit rating of the Company;
- 12 a change in the Company's financial forecast or expectation;
- 13 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 or any controlled entity;
- 14 changes in the Company's senior management or auditors;
- 15 any negative publicity;
- 16 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
- 17 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.