

# **MEDIBIO LIMITED**

## **CONTINUOUS DISCLOSURE POLICY & PROCEDURES**

### **INTRODUCTION**

1. As a public listed company, Medibio Limited ("Medibio" or the "Company") is committed to complying with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.
2. This document has been adopted by the Board of Medibio to assist the Directors and staff to comply with those obligations.
3. These Policy & Procedures address the following matters:

- Medibio's disclosure obligations;
- general procedures for the release of ASX announcements and media releases;
- specific issues in relation to continuous disclosure:
  - confidential information
  - company spokespersons and media enquiries
  - private briefings/road shows;
  - review of draft analysts' reports;
  - use of Medibio's website; and
  - ASX queries/market rumours;
- amendment of these Policy & Procedures.

### **THE LAW – CONTINUOUS DISCLOSURE OBLIGATIONS**

4. The Company must comply with the law regarding continuous disclosure.
5. The general continuous disclosure rule is contained in Australian Securities Exchange ("ASX") Listing Rule 3.1. Medibio must immediately inform the ASX once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Medibio's securities (referred to in this document as "price sensitive information").
6. A reasonable person is taken to expect information to have a material effect on the price or value of securities if that information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe, buy or sell the securities.
7. Medibio is not required to give the ASX information if:
  - a reasonable person would not expect the information to be disclosed; and
  - the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
  - one or more of the following conditions 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.

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

## POLICY & PROCEDURES FOR CONTINUOUS DISCLOSURE REPORTING

9. All price sensitive information must be immediately disclosed to ASX. Examples of the type of information that would require disclosure to ASX if price sensitive include:

- a significant change in Medibio's financial forecasts;
- the awarding of, or variation to, a significant new contract;
- the acquisition or disposal of significant assets or investments;
- a material development, invention or discovery by Medibio or by companies in which Medibio has a significant investment;
- the granting or withdrawing of a material licence;
- a significant event affecting or relating to the operations of Medibio or one of its subsidiaries including changes to an entities' operations, changes in senior executive personnel or natural disasters;
- the commencement or settlement of any significant litigation;
- an event or transaction which potentially has a material impact (positively or negatively) on the value of the Company's net assets.

10. The concept of "materiality" covers both quantitative and qualitative factors. A change of 5% or more of a monetary threshold (e.g. assets or profits) would be significant, but a smaller amount may be significant in a particular case. Other matters to be taken into account include:

- whether a matter will significantly damage Medibio's image or reputation;
- whether a matter will significantly affect Medibio's ability to carry on business in the ordinary course; or
- whether the matter involves a serious breach of any law or obligation.

## RESPONSIBILITIES FOR DISCLOSURE MATTERS

11. In summary, these Policy & Procedures require:

employees to notify their manager or the Managing Director or the Company Secretary; and

- Directors to notify the Managing Director or Chairman, when, they become aware of price sensitive information or potentially price sensitive information which may require release to the market under ASX Listing Rule 3.1 or the Corporations Act.

### The Board

12. The Board has ultimate responsibility for ensuring Medibio complies with its continuous disclosure obligations. At each Board meeting, the Board considers:

- Medibio's disclosure obligations in relation to each item of business discussed;
- whether any Directors are aware of information that should be disclosed; and

notes all matters that have been disclosed since the last meeting.

13. Individual Directors must consider whether information requires disclosure when they become aware of such information in the course of the performance of their duties as a Director of Medibio. Directors must promptly report such information to, and liaise with, the Managing Director who will determine whether to make an announcement or take other action.

### **The Managing Director or Executive Director ("MD")**

14. Except where the Board makes the decision, the MD is responsible for deciding what information arising from Board meetings or the activities of the Company needs to be disclosed to ASX. If there is no MD at any particular time, the Chairman will assume this responsibility and be responsible for the matters outlined in these Guidelines.

15. The MD will, where appropriate, consult with the Chairman, the other Directors and other employees, as relevant, before making a decision to disclose information or not, to take any necessary steps to protect any confidential information or take steps to prevent a false market, such as requesting a trading halt.

16. The MD and/or the Company Secretary may, where appropriate, seek external legal advice on whether a particular matter requires disclosure to the ASX or some other form of action.

17. The MD will liaise with the Company Secretary about the form and process for lodging an announcement to the market.

18. To the extent that Medibio makes investments in, or is involved in a joint venture or other significant contractual relationship, the MD must ensure that appropriate arrangements are put in place to ensure that Medibio will be given all price sensitive information and potentially price sensitive information so that it can meet its disclosure obligations.

### **Company Secretary**

19. The Board has delegated to the Company Secretary responsibility for monitoring compliance with, and administering the procedures set out in this document. The Company Secretary is also responsible for liaising with ASX in relation to Listing Rule matters.

20. The Company Secretary is responsible for:

- consulting with the MD (or where there is no MD, the Chairman) regarding all matters requiring disclosure to the market;
- immediately notifying the MD (or Chairman) of all information emanating from the Company's operations that requires or may require disclosure;
- preparing announcements and lodging them with ASX in consultation with the MD (or Chairman);
- monitoring the media and movements in the price of Medibio's securities;
- circulating announcements to the Board after the announcement is released to the market;
- maintaining a register and a copy of all announcements that have been released; and
- liaising with employees, advising on disclosure issues and ensuring compliance with these Policies & Procedures.

As a general rule, no announcement to the ASX is to be made without the approval of the MD, or where there is no MD, the Chairman, and the whole Board of Directors. Where the MD is not available, the Company Secretary must make reasonable endeavours to contact the Chairman or

another Director of the Board prior to any announcement and seek their approval to the announcement. In matters of urgency and where all attempts to contact the MD, the Chairman and the other Directors have been exhausted, the Company Secretary may request a trading halt or make an announcement to the ASX, as appropriate to ensure compliance with the Company's obligations. For non-price sensitive matters, the Company Secretary may lodge announcements to the ASX without the full Board's approval but must still obtain approval of the MD, or where there is no MD, the Chairman, or if neither is available, then another Director of the Board.

21. All continuous disclosure reporting to the ASX is to be made through the Company Secretary's office and in compliance with the Company Announcements Platform facility under the ASX Listing Rules. In effect, this means all announcements are to be lodged by using ASX on-line, unless this facility is not available at that time. If ASX on-line is not available, the announcements may be faxed to the ASX.

22. The Company Secretary must ensure that he/she or one of his/her delegates is available during normal business hours to oversee the disclosure process with ASX.

23. Medibio spokespersons must not disclose the subject matter of any ASX announcement to the media or any other members of the public until Medibio has received an acknowledgement from the ASX of receipt of the announcement (this is a

return email or, if faxed, a separate fax from the ASX acknowledging receipt and not the fax machine generated acknowledgement).

24. The Company Secretary shall report to the Board at its monthly meetings on the status of announcements made to the ASX.

25. The Company Secretary has the responsibility of raising the awareness of and promoting these Policy & Procedures within Medibio, including induction and training programs with employees. The Company Secretary will ensure that all members of the Board and key managers are given a copy of these Policy & Procedures and the ASX publication "*Continuous Disclosure: An Abridged Guide*".

## **Employees**

26. All employees must promptly report all information that requires or may require disclosure to their manager, the Managing Director or the Company Secretary. Managers must promptly report such information to the Managing Director or the Company Secretary. All such information is confidential and must be treated as such unless and until an announcement is made.

27. In addition, employees must immediately report to their manager or the Company Secretary or in his/her absence, the MD directly:

- any new contract entered into by their Company operations with a revenue value of \$10,000 or more;
- any event or transaction which potentially:
  - has a material impact (positively or negatively) on Medibio's net profit/loss;
  - has a material impact (positively or negatively) on Medibio's net assets;
- any other transaction or event they consider may have an impact (positively or negatively) on the price or value of any of Medibio's securities.

## **SPECIFIC ISSUES IN RELATION TO CONTINUOUS DISCLOSURE**

### **28. Confidential information**

(a) Every employee and Director is reminded of their obligation not to disclose confidential information to any person except with the consent of Medibio or if allowed by law.

(b) In determining whether any information about Medibio needs to be disclosed, it will be necessary to determine whether the exception to Listing Rule 3.1 applies. In particular, a determination will need to be made whether the information is confidential and legal advice may be required.

(c) The MD, or if no MD, the Chairman, is responsible for determining whether the conditions permitting non-disclosure in ASX Listing Rule 3.1 apply and in particular, whether confidentiality has been lost.

(d) The MD, or if no MD, the Chairman, will ensure that Medibio's share price is monitored. The Company Secretary will be responsible for monitoring the share price and reporting unexpected movements to the MD or Chairman. If there are

unexpected movements in Medibio's share price then the MD or Chairman will determine whether the cause of that movement relates to the unauthorised release of confidential information and take whatever action is required to ensure that Medibio is in compliance with its disclosure obligations, in particular, preventing a false market.

## **29. Company Spokesperson and Media Enquiries**

(a) Medibio shall keep to a minimum the number of spokespersons who have authority to speak on behalf of the Company.

(b) In regard to queries from the media, the primary spokesperson for Medibio is the MD, or if no MD, the Chairman, assisted where appropriate by the CFO and/or the Company Secretary.

(c) The Chairman/MD/CFO are the primary spokespersons in responding to enquiries from institutional and other large shareholders and from stockbrokers and analysts.

(d) The Company Secretary is the primary spokesperson in responding to enquiries from small shareholders.

(e) The Chairman, MD, CFO and Company Secretary shall each take responsibility to ensure that they are kept up to date with the status of public disclosure of information relating to Medibio. In addition, the Company Secretary will ensure that copies of the following documents are distributed on a timely basis to the Chairman, MD and CFO and to the Board:

- Medibio's ASX announcements;
- major media articles relating to Medibio;
- major analysts' reports on Medibio;
- any other relevant materials.

(f) This Guideline refers to "primary spokesperson". Where that spokesperson is not available to answer any particular enquiry, then one of the other of the Chairman, MD, CFO or Company Secretary shall take on the responsibility for that enquiry as appropriate.

## **30. Private Briefings/Roadshows**

(a) Private briefings to analysts/institutions/stockbrokers are encouraged by Medibio to enhance a greater understanding of the Company. However, these private briefings must not involve the disclosure of price-sensitive information. If any new information is provided in the presentation, a copy must be lodged with the ASX prior to that meeting.

(b) If price-sensitive information is inadvertently disclosed at a private briefing, then the information must be announced to the ASX as soon as practicable.

(c) If an analyst asks a question at a private briefing which touches on a price-sensitive area, then the Medibio spokesperson can only use publicly available information in the answer. Where this is not possible, then the

spokesperson should decline to answer the questions or take it on notice and answer it after a general disclosure to the ASX has been made.

(d) Where appropriate, the Medibio spokesperson should conduct an internal debriefing procedure after every private briefing to ensure that price sensitive information has not been inadvertently disclosed.

### **31. Review of Draft Analysts' Reports**

(a) The Company may sometimes be requested to review draft analysts' reports on Medibio prior to publication. These draft reports may contain financial projections.

(b) Any review of such draft reports by officers of Medibio will be restricted to:

- i. Amending factual errors; and/or
- ii. Reviewing underlying assumptions.

(c) Under no circumstances should the Medibio officer expressly or impliedly approve or disapprove the financial projections outside the information that is publicly available.

### **32. Use of Medibio Website**

(a) Medibio should use its website as much as practicable to give the public access to:

- Medibio's most recent Annual Report and half and full year financial statements.
- Medibio's announcements to the ASX (except announcements of a procedural nature that have no material effect on Medibio). These may include presentations used to brief analysts.
- Any other information relating to Medibio that is considered appropriate.

(b) The Company Secretary will ensure that no inappropriate information is placed on the website. The Company Secretary is responsible for maintenance of the website.

(c) Access to the website by investors or potential investors should be made as simple as possible. In particular, no password will be required to access this information.

### **33. ASX Queries/Market Rumours**

(a) Any information relating to market rumours or leaks relating to Medibio must be advised to the MD, or if no MD, the Chairman, CFO and/or the Company Secretary as soon as possible. The Company Secretary will then take steps to ascertain as far as practicable the veracity of the leak or rumour and the degree that the leak or rumour exists in the market place.

(b) The Company Secretary must consult with the Chairman/MD/CFO in assessing whether it is appropriate for Medibio to respond to the leak or rumour. If

considered appropriate, the leak or rumour will be responded to by Medibio through an announcement to the ASX.

(c) If the ASX verbally queries Medibio on a leak or rumour, the Company Secretary will forthwith advise the Chairman/MD/CFO of the query. If the ASX sends a formal written request to explain a leak or rumour, then the Company Secretary will forthwith copy that request to all Directors.

(d) The Chairman/MD/CFO, in consultation with the Company Secretary, and, where appropriate, other Directors will oversee the response to an ASX enquiry. Given that such enquiries usually require a quick response, some flexibility is needed in this Guideline to ensure a timely response is provided to the ASX.

## **MONITORING OF COMPLIANCE**

34. Training or awareness sessions will be held from time to time to ensure new and existing Directors and employees remain familiar with the Continuous Disclosure Policy & Procedures and the obligations of Medibio under the ASX Listing Rule 3.1. At least once every year the Board will review Medibio's compliance with these Policy & Procedures.

35. Company induction procedures will require that new Directors and employees are familiar with these Guidelines.

36. An up-to-date copy of these Policy & Procedures will be available on the Medibio's website.

## **BREACHES OF THESE POLICY & PROCEDURES**

37. Criminal and civil liabilities could be imposed on Medibio and its Directors, officers and other persons involved if, price sensitive information is not released to the market in accordance with ASX Listing Rule 3.1.

38. A breach of these Continuous Disclosure Policy & Procedures may lead to disciplinary action being taken, which may include termination of employment in serious cases.

## **AMENDMENT OF THESE POLICY & PROCEDURES**

39. These Policy & Procedures have been adopted by the Board of Medibio. Any amendment to this document can only be approved by the Medibio Board.

40. The Board has the responsibility of reviewing these Policy & Procedures at appropriate times, and at least on an annual basis, to ensure that they remain relevant, appropriate to Medibio and consistent with the ASX Listing Rules, the Corporations Act and corporate governance principles. The Company Secretary must conduct an audit each year and report to the Board on Medibio's compliance with these Policy & Procedures.

41. If there are any suggestions for improvement or a problem has arisen with any aspect of these procedures, the issue should be raised with the Company Secretary.

## **EFFECTIVE DATE**

42. This Policy was adopted by the Board on 22 April 2013.