

# Tegel Group Holdings Limited – Continuous Disclosure Policy

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This policy (**Policy**) was approved by the board of directors (**Board**) of Tegel Group Holdings Limited (**Company**) on 2 May 2016.

## 1. Introduction and purpose

- 1.1 As part of the Company's obligations as a publicly listed company, we need to be sure that we comply at all times with the NZX Listing Rules relating to continuous disclosure.
- 1.2 This Policy is part of that commitment, and sets out our commitment to complying with the NZX Listing Rules and all other applicable law. This Policy should be read together with the obligations imposed on the Company as outlined in the NZX Listing Rules, the ASX Listing Rules and other applicable law.
- 1.3 In particular this policy sets out our obligations in relation to disclosure of material information to the market. In preparing this Policy regard has also been had to the NZX Guidance Note on Continuous Disclosure.
- 1.4 The objective of this Policy is to ensure that the Company immediately discloses all material information (defined below) to NZX Limited (**NZX**) and the Australian Securities Exchange (**ASX**) in accordance with this Policy, NZX Listing Rule 10.1.1 and ASX Listing Rule 1.15.2 and that its disclosure is factual, complete, balanced and expressed in a clear manner that allows an investor to assess the impact of the information when making an investment decision.
- 1.5 To the extent there is any change in applicable NZX or ASX Listing Rules or law that is not detailed in this Policy, the Company will comply with the applicable NZX or ASX Listing Rules or law notwithstanding the content of this Policy.
- 1.6 The Company will aim to ensure that all staff understand and comply with the obligations contained in this Policy, the NZX and ASX Listing Rules and other applicable law.

## 2. Commitment to continuous disclosure

- 2.1 We are committed to ensuring:
  - (a) that shareholders and the market are provided with complete and timely information about the activities of our business;
  - (b) compliance with all relevant general and continuous disclosure requirements outlined in the NZX Listing Rules, the Companies Act 1993 (**Companies Act**), the Financial Markets Conduct Act 2013 and the Financial Markets Authority guidelines;
  - (c) compliance with the requirement in ASX Listing Rule 1.15.2 to immediately provide to ASX all of the information that it provides to NZX that is, or is to be, made public; and
  - (d) that all market participants have equal opportunities to view and act on information disclosed by the Company.

### 3. **Material information (NZX Listing Rule 10.1.1)**

3.1 The Company's Chief Executive Officer (**CEO**) and the Chief Financial Officer (**CFO**) must be informed of any potential material information or proposal immediately after any officer of the Company or any member of the senior management team of the Company (**Senior Management**) becomes aware of that information or proposal (**Disclosure Information**).

3.2 Information is "**material**" if a reasonable person would expect, if it were generally available to the market, that it would have a material effect on the price of the Company's shares, and it relates to particular securities, a particular issuer, or particular issuers, rather than to securities generally or issuers generally.

3.3 "**Aware**" is defined in NZX Listing Rule 10.1.1 as:

*"an Issuer is aware of information if a Director or an executive officer of the Issuer... has come into possession of the information in the course of his or her duties as a Director or executive officer".*

3.4 Material information need not be disclosed if (NZX Listing Rule 10.1.1(a)):

- (a) a reasonable person would not expect the information to be disclosed; **and**
- (b) the information is confidential and its confidentiality is maintained; **and**
- (c) one or more of the following applies:
  - (i) the release of the information would be a breach of law;
  - (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 the Company or its subsidiaries; or
  - (v) the information is a trade secret.

3.5 Decisions on what information is Disclosure Information will be made by a committee appointed by the Board (**Disclosure Committee**) as outlined below.

3.6 Note that:

- (a) material information must be immediately disclosed unless each of the "limbs" of the disclosure exception are satisfied; and
- (b) the disclosure obligation "resurrects" once one or more of the limbs of the exception are no longer fulfilled.

3.7 Under NZX Listing Rule 10.1.1, the Company must, following a decision of the Disclosure Committee, immediately notify the market, via an announcement to NZX of any information concerning the Company that the Disclosure Committee believes is Disclosure Information. NZX has taken the view that "immediately" means "promptly and without delay".

3.8 The Company must not, under any circumstances, disclose material information to any person not bound by obligations of confidentiality prior to the Company releasing the information to NZX and to ASX. If unreleased material information is unintentionally communicated by the Company or any staff member, in any forum, the CFO must be advised immediately so that following a decision of the Disclosure Committee the market can be informed.

#### 4. **Examples of Material Information**

4.1 For the purposes of this Policy, the following information is likely to be “**material information**” (as set out in NZX Listing Rule 10.1.1 and as further defined below):

- (a) the development and launch of a significant new product or process;
- (b) reaching an agreement with a significant new customer or supplier, deciding on a new area of business or major expansion or renewal of business with existing customers or suppliers;
- (c) any significant government or regulatory changes, issues, complaints or problems affecting or notified to the Company or impacting on our business or operations;
- (d) a significant risk or default of a supplier or major customer, or any major impact on our sales or production forecasts (adverse or advantageous);
- (e) deciding to open a new facility or office;
- (f) a major or significant quality issue, health and safety, or environmental event affecting us or our products;
- (g) a material change in the Company’s financial forecast or expectation;
- (h) any serious financial event (such as the appointment of a receiver, manager or liquidator) of the Company or any of its subsidiaries;
- (i) a transaction where the consideration payable or receivable by the Company is equal to a significant proportion of the Company’s assets (i.e. 5% or more of the written-down value of the Company’s consolidated assets). A transaction with a lower value could be significant in a particular case;
- (j) a recommendation or declaration about whether or not to declare a dividend or distribution;
- (k) under-subscription or over-subscription to an issue of shares of the Company;
- (l) major changes in the Company shareholding or shares held by the Company (5% or more), or giving or receiving a notice of intention to make a takeover bid;
- (m) a copy of a document containing market-sensitive information that the Company lodges with an overseas stock exchange or other regulator which is available to the public;
- (n) any proposed material change in the general nature of the business of the Company or our group;
- (o) any change in Senior Management personnel;

- (p) buying or selling assets where the gross value or consideration paid or received represents more than 10% of the average market capitalisation of the Company; and
  - (q) any agreement between the Company (or a subsidiary) and a person appointed as, or holding the office of, a director of the Company (**Director**) (or an associated person of the Director).
- 4.2 There are many other types of information that could give rise to a disclosure obligation. For example, a development in a company affiliated with, but not controlled by, the Company may be price-sensitive when related to the Company itself.
- 4.3 Further, when the Company is relying on an exception to NZX Listing Rule 10.1.1, or is involved in a development that may eventually require reliance on an exception, appropriate confidentiality protocols must be adhered to. A leak of confidential information will immediately deny the Company the ability to withhold the information from the NZX and likely force the Company to make a 'premature' announcement.

## 5. **Disclosure Committee**

- 5.1 The Board will appoint a Disclosure Committee which must consist of
- (a) CEO;
  - (b) CFO; and
  - (c) Chair of the Board;
  - (d) or if any of the above people are unavailable, then the Chair of the Audit and Risk Committee.
- 5.2 The Company may also seek legal advice on whether matters are material and accordingly whether those matters should be disclosed.
- 5.3 The Disclosure Committee must:
- (a) monitor compliance by the Company and its officers and employees with this Policy;
  - (b) review this Policy at least once each financial year;
  - (c) provide a report to the Board on any matters dealt with in the preceding period under this Policy; and
  - (d) require that all material information provided to NZX and ASX is also placed on the Company's website.

## 6. **Release of reports as required by the NZX Listing Rules and the Companies Act**

- 6.1 The Company must release the following reports in accordance with the NZX Listing Rules and the Companies Act:
- (a) the annual report;
  - (b) the half-year report;
  - (c) the preliminary half-year and final reports;

- (d) the annual audited financial statements; and
  - (e) any other reports required to be lodged under the NZX Listing Rules and Companies Act.
- 6.2 The Company must not hold any meetings with or initiate meeting or phone contact with analysts, fund managers or brokers, during the period of 10 days before the release of the annual and half-yearly preliminary reports.
- 6.3 The Company must also comply with the requirement in ASX Listing Rule 1.15.2 to immediately provide to ASX all of the information that it provides to NZX that is, or is to be, made public.
- 6.4 Directors of the Company are required to give written notice to the Company in respect to dealing in the securities of the Company and comply with the Company's **Securities Trading Policy and Guidelines**. A change in the notifiable interest of a Director must be advised to NZX within 5 trading days after the change occurs.
- 7. Information briefings with analysts**
- 7.1 No undisclosed material information may be disclosed in any meeting with an investor or analyst. As noted in paragraph 3.8 above, if any inadvertent disclosure of material information occurs in such circumstances the CFO must be advised immediately so that following a decision of the Disclosure Committee the market can be informed.
- 7.2 The Company may provide background and technical information (other than Disclosure Information) in one-on-one briefings with analysts, fund managers, brokers or institutional investors to assist them in their understanding of the Company's business activities. Such information may include:
- (a) long-term strategy;
  - (b) company history, vision and goals;
  - (c) management philosophy and the strength and depth of management;
  - (d) competitive advantages and risks;
  - (e) previously disclosed material information;
  - (f) non-material information;
  - (g) industry trends and issues.
- 7.3 The CEO and/or CFO must review any written presentation material prepared for meetings prior to the meeting to determine whether all information has previously been disclosed to the market or may require disclosure and the CEO and/or CFO must be present at any such meetings.
- 7.4 A one-on-one briefing includes any communication between the Company and a broker, analyst, fund manager, or institutional investor including phone calls.
- 7.5 No previously undisclosed material information may be disclosed at these meetings.
- 7.6 If analysts send the Company a draft report the report must be referred to the CEO or CFO. The Company shall only comment on factual errors relating to historic or previously disclosed information.

## **8. Release of information to the public**

- 8.1 Only the CEO and the CFO are authorised to provide comment about financial aspects of the Company, or speak on behalf of the Company, to the media or external parties.
- 8.2 Staff members must not respond to any market speculation or rumours about the Company unless authorised by the CEO or CFO to do so.

## **9. False markets, market speculation and rumours**

- 9.1 Market speculation and rumours, whether substantiated or not, have the potential to impact upon the market price of the Company's listed securities. Speculation may also contain factual errors that could materially affect the market price of the Company's listed securities.
- 9.2 The CFO will monitor movements in the price or trading activity of the Company's securities to identify circumstances in which a false market may have emerged in the Company's listed securities.
- 9.3 If NZX asks the Company to give it information to correct or prevent a false market, the CFO and CEO are responsible for giving the information to NZX after, if necessary, consideration by the Disclosure Committee about whether such disclosure should be made.
- 9.4 The Company's general policy on responding to market speculation and rumours is that it does not respond to market speculation or rumours. However, the CEO, CFO, the Disclosure Committee or the Board (as applicable) may decide to make a statement in response to market speculation or rumours if:
  - (a) they consider that the Company is obliged at that time to make a statement to the market about a particular matter;
  - (b) consider it prudent in order to prevent or correct a false market occurring in the Company's listed securities; or
  - (c) NZX asks for information.

## **10. Trading halts**

- 10.1 Where the Company is unable to make disclosure to NZX/ASX immediately upon becoming aware of that material information (or if trading in the Company's shares is suggestive of a false or disorderly market) then the CEO, CFO or the Disclosure Committee must apply for a trading halt on NZX and ASX.
- 10.2 Decisions about trading halts will be made following consultation with the Board in relation to major matters and by the CEO and/or CFO in relation to other matters (or, if such decision is required to be made on an urgent basis and the CEO is not available, with the Disclosure Committee).

## 11. **Informing employees**

- 11.1 This Policy or a summary of it will be distributed to all employees to help them understand the Company's continuous disclosure obligations, their individual reporting responsibilities and the need to keep the Company's information confidential.
- 11.2 The Company's Securities Trading Policy and Guidelines will also be made available on the Company's intranet to all employees. That policy also relates to the treatment of material information.
- 11.3 Any questions about the Company's continuous disclosure obligations or this Policy should be referred to the CFO.

## 12. **Disciplinary action**

- 12.1 Breaches of this Policy may lead to disciplinary action being taken against staff including dismissal or termination in serious cases.

## 13. **Application of Policy**

- 13.1 The Board may approve updates, amendments to and exemptions to this Policy from time to time, which may be implemented by written notice, including by publication on the Company's intranet.
- 13.2 To the extent of any inconsistency with any previous Policy or rules relating to this subject matter, this Policy prevails over them.

Last updated 2 May 2016.