

.continuous disclosure **policy**

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.the way we work .the way we relate .the way we serve .the way we learn .the way we play .the way we grow
.the way we inspire .the way we succeed .the way we lead .the way we work .the way we relate .the way we serve
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.the way we learn .the way we play .the way we grow **.the way of life**



1. Introduction

- 1.1 Vita Group Limited (the *Company*) has significant continuous disclosure obligations under the *Corporations Act 2001 (Cth)* (the *Corporations Act*) and the Australian Stock Exchange Limited (*ASX*) Listing Rules.
- 1.2 The objective of this policy is to ensure that the Company complies with these continuous disclosure requirements in the spirit of the ASX Listing Rules and the Corporate Governance Principles and Recommendations established by the ASX Corporate Governance Council.
- 1.3 The Company is committed to ensuring that:
 - (a) shareholders and the market are provided with timely and accurate information about the Company; and
 - (b) all market participants have an equal opportunity to receive externally available information issued by the Company.

2. Purpose

- 2.1 This policy sets out the procedures and guidelines of the Company relating to compliance with its continuous disclosure obligations and the communication of information to its investors.
- 2.2 In particular, this policy sets out the procedure to:
 - (a) identify material that is potentially market sensitive information;
 - (b) ensure that material which is potentially market sensitive information is promptly brought to the attention of those who are in a position (and have responsibility) to decide whether disclosure should be made for review;
 - (c) ensure the Company complies with its continuous disclosure obligations under the *Corporations Act* and ASX Listing Rules; and
 - (d) ensure that individual officers and directors do not contravene the *Corporations Act* or ASX Listing Rules.

3. Who does this policy apply to?

- 3.1 This policy applies to all Directors and employees of the Company, including:
 - (a) permanent full-time and part-time employees;

- (b) employees on a fixed term or fixed task contract;
- (c) casual employees; and
- (d) all individual contractors and employees of incorporated contractors engaged by the Company.

4. Continuous Disclosure Obligations

Disclosure Obligations - (ASX Listing Rule 3.1)

- 4.1 Under ASX Listing Rule 3.1, the Company is required to immediately notify 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 the Company's securities (**market sensitive information**).
- 4.2 The Company will be deemed to be **aware** of information if, and as soon as, an officer of the Company has, or ought reasonably to have, come into possession of the information in the course of his/her duties as an officer of the Company. The term 'officer' includes Directors, the Company Secretary and senior managers or executives of the Company.
- 4.3 Immediate disclosure of information does not mean 'instantaneously', but rather 'promptly and without delay'. Disclosing 'promptly and without delay' means doing it as quickly as it can be done in the circumstances (acting promptly) and not deferring, postponing or putting it off to a later time (acting without delay).

How to identify market sensitive information

- 4.4 Market sensitive information is any information 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.
- 4.5 Information is market sensitive information if it is likely that the information would, or would be likely to, influence persons who commonly invest in the Company's securities in deciding whether or not to subscribe for, or buy or sell, such securities. Market sensitivity is not assessed from the perspective of high frequency traders who trade on the basis of short term share price movements, but from the perspective of persons who commonly buy and hold securities for a period of time, based on their view of the inherent value of the security.
- 4.6 When considering whether information is market sensitive information needing to be disclosed under Listing Rule 3.1, it may be helpful for the Company to ask two questions:

- (a) 'Would this information influence my decision to buy or sell securities in the entity 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?'

Answering either question in the affirmative may be an indication that the information is market sensitive.

Examples of information that could be considered to be market sensitive and therefore would likely require disclosure, include:

- a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- the entry into, variation or termination of a material agreement;
- becoming a plaintiff or defendant in a material law suit;
- the fact that the Company's earnings will be materially different from market expectations (see below – 'What are the Company's General and Periodic Disclosure Obligations?');
- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- under subscriptions or over subscriptions to an issue of securities (a proposed issue of securities is separately notifiable to ASX under Listing Rule 3.10.3);
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to an entity or its securities and any change to such a rating.

This list is not exhaustive and there are many other examples of information that potentially could be market sensitive information.

Exceptions to the continuous disclosure rule

4.7 Market sensitive information need not be disclosed if **all** of the following are satisfied:

- (a) 'One or more of the following applies:
 - (i) it would breach the law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;

- (iii) the information comprises matters or supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for internal management purposes; 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.

4.8 The word 'confidential', for these purposes, means 'secret'. Therefore, information will be confidential where:

- (a) it is known to only a limited number of people;
- (b) the people who know the information understand that it is to be treated in confidence and only to be used for permitted purposes; and
- (c) the people abide by that understanding.

5. Who is responsible for disclosure?

5.1 The CEO, CFO and the Company Secretary have primary responsibility for:

- (a) ensuring that the Company complies with its disclosure obligations; and
- (b) deciding what information will be disclosed.

5.2 All Directors, executive officers and employees of the Company must inform the Company Secretary, CFO or the CEO of any potentially market sensitive information or proposal as soon as practicable after the person becomes aware of that information, including:

- (a) a general description of the matter;
- (b) details of the parties involved;
- (c) the date of the event or transaction;
- (d) the status of the matter (for example, whether the matter is finalised or preliminary);

- (e) an estimated value for the transaction;
- (f) the effect on the Company's finances and operations; and
- (g) the names of any persons advising the Company in the matter.

5.3 Continuous disclosure is a standing agenda item of meetings of the Board. The Board ratifies information disclosed to market since the last Board meeting and assesses whether further information should be released to the market.

5.4 Continuous disclosure is a standing agenda item of meetings of Management. Managers are responsible for ensuring that their teams are aware of the Company's continuous disclosure obligations and report material information on a continuous basis.

6. What are the Company's general and periodic disclosure obligations?

6.1 The Company must make general and periodic disclosures to ASX and/or its security holders as required by the ASX Listing rules or the Corporations Act including in relation to its financial and operational performance. Compliance by the Company with its general and periodic disclosure obligations does not extinguish its continuous disclosure obligations.

6.2 In circumstances where the Company becomes aware that its earnings for a reporting period will materially differ (downwards or upwards) from market expectations disclosure may be required. Assessing whether a difference or variation is of a magnitude that constitutes market sensitive information may require consideration of a number of factors including:

- (a) whether near term earnings is a material driver of the value of the Company's securities;
- (b) whether the difference is attributable to a non-cash item (such as a depreciation, amortisation or impairment charge) that may not impact on underlying cash earnings;
- (c) whether the difference is a permanent one or is simply due to a timing issue (eg a material revenue or expense item that was expected to be booked in one reporting period is to be booked in a different reporting period);
- (d) whether the difference is attributable to one-off or recurring factors; and

- (e) whether the relative outlook for the Company in coming financial periods is positive or negative.

6.3 Each instance of potential earnings variation needs to be considered in context, however, as a guide, where an expected variation in earnings is less than 5% from any previously disclosed earnings guidance it is unlikely to be material and will not normally require disclosure. Where the variation is more than 10% from any previously disclosed forecast it is likely to be material and will normally require disclosure. If the variation is between 5% and 10%, careful consideration will need to be given to whether the variation is likely to be market sensitive.

7. What to do if ASX considers that a false market exists in the Company's securities?

Market Speculation and Rumour

- 7.1** Under Listing Rule 3.1B, if ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to provide information to it to correct or prevent a false market, the Company must provide the information. The Company is required to give ASX this information even if the exceptions to disclosure apply.
- 7.2** ASX is likely to consider that there is or is likely to be a false market in a company's securities if:
- (a) the company has information that has not been released to the market (eg, because the exceptions to disclosure apply);
 - (b) there is a reasonably specific rumour or media comment in relation to the company that has not been confirmed or clarified by an announcement to the market; and
 - (c) there is evidence that the rumour or comment is having, or ASX forms a view that the rumour or comment is likely to have, an impact on the price of the company's securities.
- 7.3** If ASX considers that there is or is likely to be a false market in the Company's securities, it will ask the Company to give it information to correct or prevent the false market.
- 7.4** A false market may arise, for example, where there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market and ASX forms the view that the rumour is or is likely to have an impact on

the price of the Company's securities.

- 7.5** The Company will disclose to ASX the information needed to correct or prevent the false market as the information may influence persons who commonly invest in such securities in deciding whether or not to subscribe for, or buy or sell, the Company's securities.

8. Trading Halts

- 8.1** In an effort to manage disclosure issues and in order to facilitate an orderly, fair and informed market, the Company may request a trading halt. A trading halt may be necessary in the following scenarios:

- (a) there are indications that information may have leaked ahead of an announcement and it is having, or (where the market is not trading) is likely when the market resumes trading to have, a material effect on the market price or traded volumes of the Company's securities;
- (b) the Company has been asked by ASX to provide information to correct or prevent a false market; or
- (c) the information is especially damaging and likely to cause a significant fall in the market price of the Company's securities (eg, information that the board of the Company has resolved to appoint an administrator or that a lender has declared an event of default and appointed a receiver),

and in each such scenario:

- (d) where the market is trading, the Company is not in a position to give an announcement to ASX straight away; or
 - (e) where the market is not trading, the Company will not be in a position to give an announcement to ASX before trading next resumes.
- 8.1** A trading halt or voluntary suspension may also be necessary if for any reason there is going to be a delay in the release of an announcement under Listing Rule 3.1 and the market is trading during any part of the delay.

9. How to make external communications

- 9.1** In order to safeguard the confidentiality of corporate information and avoid premature disclosure:

- (a) all information or presentations provided to, and discussion with,

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analysts, professional bodies, journalists or any other person must be referred to or approved by the CEO;

- (b) inquiries from analysts, institutional shareholders or journalists must be referred to the CEO, CFO or to a delegate approved by the CEO; and
- (c) no unauthorised director, officer or employee of the Company should speak to analysts, institutional shareholders or journalists regarding the Company's financial matters. Only the CEO (or the CEO's delegate) and the CFO may speak on the Company's behalf on financial matters.

9.2 The CFO must to the extent practicable inform the CEO of any public comments or responses to enquiries on financial matters that the CFO proposes to make.

9.3 All responses to shareholder questions should be referred to or approved by the Company Secretary to ensure that market sensitive information is not selectively disclosed.

10. What happens if the company contravenes its continuous disclosure obligations?

10.1 The Company will contravene its continuous disclosure obligations by failing to notify ASX of information required by the ASX Listing Rules.

10.2 If the Company contravenes its obligations, the Company and its officers may be guilty of an offence under the Corporations Act and incur serious civil and criminal sanctions.

11. How often will this policy be reviewed?

11.1 The Policy will be reviewed by the Board annually and revised as required.

More information

If any person has any queries about their reporting requirements, the Company's continuous disclosure obligations or any other questions about this policy, they should contact:

Mark Anning, Company Secretary