

---

# **Disclosure Policy**

## Keeping the market informed

Etherstack plc (UK Registered Company No 7951056)

Reviewed by the Board on 4 November 2019

---

## Contents

	<b>Page</b>	
1	Continuous disclosure obligations	1
2	Continuous disclosure principles	1
3	Exceptions to the disclosure principle	2
4	Periodic Reports not audited or reviewed	3
5	Market rumours	3
6	Inadvertent disclosure of information	3
7	Contact with stockbrokers, financial analysts and the media	3
8	Media releases and interviews	4
9	Electronic communication with security holders	5
10	Protecting information or intellectual property	5
11	Improper use of information or position in the Company	5
12	Breach of policy	5
13	Process to Review and Authorise Market Releases	5
14	Board distribution of Material market announcements	5
15	Review	6

---

## 1 Continuous disclosure obligations

- (a) Under continuous disclosure laws, Etherstack plc (**Company**) must immediately notify the Australian Securities Exchange (**ASX**) of materially price sensitive information (unless certain exceptions apply). ASX requires that the market is kept continuously informed of such information.
- (b) Failure to notify the market can be a serious criminal offence, exposing the Company, its managers and directors to imprisonment, fines and damages.
- (c) Materially price sensitive information is knowledge that could influence experienced investors in deciding whether to buy or sell the Company's securities. The financial impact of the information on the Company is important, but strategic and other implications can be equally important in determining whether information is materially price sensitive.

---

## 2 Continuous disclosure principles

- (a) ASX listing rule (**LR**) 3.1 requires the Company to immediately notify the ASX if it has, or becomes aware of, any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities were that information to be generally available. This is known as the continuous disclosure obligation. The Company is also required by section 674 of the *Corporations Act 2001* (Cth) (**Act**) to comply with this obligation. It is critically important the Company's market announcements are accurate, balanced and clearly express information for investors making investment decisions.
- (b) LR 15.7 requires that the Company must not release information that is for release to the market to any person until it has given the information to the ASX and has received acknowledgment that the ASX has released the information to the market.
- (c) The continuous disclosure obligation does not apply where the information is generally available, or if an exception to the obligation exists. Information is considered to be generally available for the purposes of the Act if it consists of readily observable matter, or it has been made known to persons who commonly invest in securities and a reasonable period has elapsed to allow them to have considered that information, or if it could be deduced from such information. The exceptions to the continuous disclosure obligations are outlined in section 3 of this policy.
- (d) Any material price sensitive information must be disclosed to the ASX in accordance with this policy. The company secretary is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the company secretary will discuss the issue with senior management, and if necessary, seek external advice.
- (e) LR 3.1B provides that if the ASX considers that there is, or is likely to be, a false market in the Company's securities, and requests information from the Company to correct or prevent the false market, the Company must give the ASX the information needed to correct or prevent the false market.
- (f) The company secretary closely monitors the consensus of analysts' forecasts of the Company profit performance to determine whether an announcement to the ASX may be necessary to correct a misunderstanding of the Company's prospects. Where appropriate, feedback will be given to analysts if they have made factual errors or wrong assumptions based on publicly available information. The company secretary will provide information on market forecasts regularly to the Board.
- (g) All Relevant Persons' (as defined in the Company's Securities Trading Policy) are required to:

- (i) consider whether any information, transaction or event of which they are aware may be price sensitive;
- (ii) immediately advise the Chief Executive officer, Chief Financial officer, Company secretary, or Chairman (each a **Disclosure Officer**) of any issues which could develop into price sensitive information (for example, a dispute which could lead to significant legal action or the termination of a major contract). The relevant Disclosure Officer must be kept informed of any developments and the developing potential issue must be reported to the chief executive officer until the issue is either resolved or notified to the ASX;
- (iii) immediately inform a Disclosure Officer of any information that they believe may be price sensitive;
- (iv) pass on any potentially price sensitive information to a Disclosure Officer if in doubt about whether the information requires disclosure;
- (v) ensure that the information is not disclosed to anyone outside the Company before the ASX is notified. All Relevant Persons' may only review the issue with Company colleagues (or the Company's professional advisers) on a need to know basis. A Relevant Person may be committing a criminal offence by passing on the information to outsiders; and
- (vi) immediately advise a Disclosure Officer if the ASX has not been told about price sensitive information and it is discovered that outsiders know about the information.

---

### 3 Exceptions to the disclosure principle

- (a) Disclosure under LR 3.1 is not required if:
  - (i) a reasonable person would not expect the information to be disclosed; and
  - (ii) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
  - (iii) one or more of the following applies:
    - (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 for the internal management purposes of the Company; or
    - (E) the information is a trade secret.
- (b) All three of the elements set out above must be satisfied before the exception to the continuous disclosure obligation applies.

---

## 4 Periodic Reports not audited or reviewed

Where a report is not subject to audit or review by an external auditor, the report may only be released with the approval of the Chief executive officer and the Chief Financial officer.

---

## 5 Market rumours

- (a) The company secretary and chief financial officer monitor the market in an effort to understand the reasons for movements in the price of the Company's securities. If rumours or leaked information are considered to be the cause of unexpected movements in the price, discussions with the ASX will be initiated as soon as practicable.
  - (b) In general, the Company will not respond publicly to market rumours or speculation unless required to do so by the ASX.
- 

## 6 Inadvertent disclosure of information

- (a) If any Relevant Person becomes aware that:
    - (i) there may have been inadvertent disclosure of material price sensitive information (which has not yet been disclosed to the ASX) during any communication with external parties; or
    - (ii) confidential Company information may have been leaked (whatever its source),he or she should immediately notify the company secretary. In such a situation, the Company will need to issue immediately a formal ASX announcement.
  - (b) Where the confidential information disclosed during external communications is considered not price sensitive, the Company will ensure equal access to that information in accordance with this policy and the Company's Communication Policy.
- 

## 7 Contact with stockbrokers, financial analysts and the media

- (a) It is a criminal offence to divulge price sensitive information to anyone before it is disclosed to the ASX.
  - (b) If new and substantive investor or analyst presentations are prepared these materials should be released to the ASX Announcements prior to presentation.
  - (c) The following rules apply to all directors and employees:
    - (i) no formal or informal discussions may be held (including off the record discussions) about price sensitive issues with people outside the Company and especially not with members of the financial community, including stockbrokers, financial analysts, investors, journalists and others who have an interest in price sensitive information, unless expressly authorised by a Disclosure Officer;
    - (ii) if discussions with the financial community are authorised by a Disclosure Officer before the discussion takes place details of what may be said must be agreed and adhered to. A written report of discussions with such people must be promptly provided to each Disclosure Officer;
-

- (iii) a Disclosure Officer may only conduct or authorise discussions with members of the financial community, media or other outsiders to:
    - (A) elaborate on information which has already been notified to the ASX;
    - (B) provide visits to the Company's operational sites to promote improved knowledge of the Company, its businesses and products; and
    - (C) provide basic industry or company background information and other matters of public record;
  - (iv) it is important that no such discussion includes mention of price sensitive information that was not contained in the original disclosure to the ASX. Outside parties would also be in breach of the law if they pass on price sensitive information as yet undisclosed to the market. It is in everyone's interest for Relevant Persons not to discuss such price sensitive issues with non-company people;
  - (v) during the time between the end of the Company's financial reporting periods and the announcement to the ASX of the financial results for those periods (often termed blackout periods), further restrictions are imposed to help ensure that the Company does not inadvertently disclose price sensitive information. Generally, no presentations will be made to the financial community during blackout periods, except where the chief executive officer decides that it is important for the company to do so. Only a Disclosure Officer may respond to questions from the financial community during blackout periods;
  - (vi) if any new price sensitive information is inadvertently disclosed, a Disclosure Officer must urgently be advised of the details so that the information can then be immediately released to the ASX; and
  - (vii) no matter how damaging, once price sensitive information ceases to be confidential, as when an outside party is informed (no matter how informally or unofficially this may be), the Company must immediately disclose it to the ASX.
- (d) Failure to advise the ASX immediately will mean that the Company and relevant employees are likely to be in breach of both insider trading laws and continuous disclosure laws. If the ASX is advised immediately, the damage done by the unlawful disclosure, together with the risk of legal action and the penalties and damages, are minimised.

---

## 8 Media releases and interviews

- (a) No employee may provide information to the media in general concerning the Company without the approval of a Disclosure Officer.
- (b) When a person is seeking such approval, they should list the key points to be made, together with a summary description of the business advantage to the Company from providing the information.
- (c) The exceptions to the above rule are:
  - (i) trade media releases and other media contact relating solely to the marketing of the Company business units' products and services. No reference should be made to operational sales or profit performance. Commonsense should apply;
  - (ii) local issues which are not contentious and will not attract attention outside a local community. Examples are comments by representatives of the Company on support for local charities, sporting events and the like; and

- (iii) emergency situations, including after-hours incidents. In cases where failure to respond immediately will reflect badly on the Company, commonsense should be applied. The Company person involved should obtain the highest approval possible in the circumstances.
  - (d) Television cameras and crew, photographers, journalists or other representatives of media agencies (other than those which are part of the Company) are not permitted on a Company site without approval of the chief executive officer or company secretary.
- 

## **9 Electronic communication with security holders**

In addition to its continuous disclosure obligations, the Company has a policy of seeking to keep security holders informed through electronic communication as detailed in the Company Communications Policy.

---

## **10 Protecting information or intellectual property**

- (a) Under the Act, employees must not take personal advantage of their position or of company information. All information about the Company or owned by the Company must be properly dealt with by employees. Employees must ensure that the Company's information is disclosed to outsiders only for legitimate company purposes and that due care is taken to protect the value of that information.
  - (b) Appropriate steps (such as confidentiality agreements and other protocols) must be implemented to protect confidentiality and intellectual property.
- 

## **11 Improper use of information or position in the Company**

- (a) No employee or former employee may make improper use of information obtained by virtue of their position with the Company to gain an advantage for themselves or any other person or to cause detriment to the Company.
  - (b) No employee may make improper use of their position with the Company to gain an advantage for themselves or any other person or to cause detriment to the Company.
- 

## **12 Breach of policy**

The Company regards its continuous disclosure obligations as very important. Breach of this policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

---

## **13 Process to Review and Authorise Market Releases**

The annual report and the half year annual report must be approved by the Board of Directors prior to release if the reports to the ASX.

Other market releases require the review and approval of either the Chief Executive officer or the Chief Financial officer.

---

## **14 Board distribution of Material market announcements**

The company secretary shall ensure that the Board receives copies of all material market announcements shortly after they have been made.

---

## 15 Review

The Board will, at least once in each year, review this policy to determine its adequacy for current circumstances and may amend it as necessary.