



DWS

DWS Ltd

Corporate Governance Policy

Continuous Disclosure

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Continuous Disclosure

1. Introduction

- 1.1 This policy imposes obligations and procedures on all directors, employees and consultants of DWS Ltd (Company) to ensure the timely and balanced disclosure of all material matters concerning the Company.

2. Application

- 2.1 This policy applies to all directors, employees and consultants of the Company.

3. Objectives

- 3.1 The objectives of this policy are to:
- (1) ensure that the Company is able to meet its continuous disclosure obligations under the ASX Listing Rules;
 - (2) establish internal procedures so that all directors, employees and consultants understand their obligations to disclose material information to ensure:
 - (a) all investors and participants in the market have equal and timely access to material information concerning the Company;
 - (b) all Company announcements are factual and presented in a clear and balanced way; and
 - (c) only material information is disclosed to the market.

4. Continuous disclosure – legal considerations

- 4.1 Chapter 3 of the ASX Listing Rules deals with the continuous disclosure requirements that a listed company must satisfy. In particular, Listing Rule 3.1 states that once an entity is or 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 entity's securities, the entity must immediately inform the ASX of that information (**Material Information**).

There is, however, an exception to the disclosure of Material Information in Listing Rule 3.1. This exception applies when:

- (1) a reasonable person would not expect the information to be disclosed;
- (2) the information is confidential and ASX has not formed a view otherwise; and

- (3) one or more of the following applies:
 - (a) it would be a breach of law to disclose the information;
 - (b) the information concerns an incomplete proposal or negotiations;
 - (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.

4.2 The Listing Rules also provide that if the ASX considers that there is or is likely to be a false market in an entity's securities, and asks the entity to give information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market.

4.3 Examples of information that would need to be disclosed under ASX Listing Rule 3.1 are set out in paragraph 7.7 and the schedule to this policy.

5. Policy

5.1 The Board is required to appoint a Disclosure Officer to administer the Company's continuous disclosure policy.

5.2 As soon as directors, employees or consultants become aware of information:

- (1) 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
- (2) which may be price sensitive (ie it is likely to have a financial or reputation impact upon the Company that may be considered material);

they must provide to the Disclosure Officer the following information:

- (3) a general description of the matter;
- (4) details of the parties involved;
- (5) the relevant date of the event or transaction;
- (6) the status of the matter (eg final / negotiations still in progress / preliminary negotiations only);
- (7) the estimated value of the transaction;
- (8) the estimated effect on the Company's finances or operations; and

- (9) the names of any in-house or external advisers involved in the matter.
- 5.3 Information or presentations provided to, and discussions with, analysts, professional bodies or any other person, are also subject to the continuous disclosure policy.
- 5.4 Material information must not be selectively disclosed (eg to analysts, professional bodies, the media, customers or any other person) prior to being announced to the ASX. If any director, employee or consultant is proposing to present any material information to professional bodies, journalists or customers, they should ensure that copies of their material are provided to the Disclosure Officer prior to presenting that information externally.
- 5.5 All enquiries from analysts must be referred to the Disclosure Officer. All material to be presented at an analyst briefing must be approved by or referred through the Disclosure Officer prior to briefing.
- 5.6 All enquiries from the media must be referred to the Disclosure Officer.
- 5.7 All media releases and material to be presented (for example at seminars) must be approved by or referred through the Disclosure Officer prior to release to journalists or other professional bodies.

6. **Disclosure Officer**

- 6.1 The Board has appointed the Company secretary to act as the Disclosure Officer to:
 - (1) be responsible for disclosure to the ASX; and
 - (2) have responsibility for communications with the ASX in relation to ASX Listing Rule matters generally (in accordance with ASX Listing Rule 12.6).
- 6.2 The Disclosure Officer must:
 - (1) decide what information must be disclosed to the ASX;
 - (2) conduct all disclosure discussions with management;
 - (3) conduct all disclosure discussions with the ASX;
 - (4) maintain a **Disclosure File** which must contain a record of:
 - (a) material that has been disclosed to the ASX (with a copy of each announcement to the ASX); and
 - (b) potentially price sensitive information that has come to the attention of the Disclosure Officer and has not been disclosed to the ASX, together with the reasons for that non-disclosure;

- (5) submit reports to each regular Board meeting, setting out the matters disclosed to the ASX and those matters of which the Disclosure Officer became aware that were not disclosed to the ASX and the reasons for that non-disclosure; and
 - (6) take such action as the Disclosure Officer considers necessary or appropriate (including the implementation of regular training sessions for relevant officers and employees) to ensure that the senior managers and their subordinates are aware of and adequately understand:
 - (a) the nature of the Company's continuous disclosure obligations;
 - (b) the responsibilities of the Company's officers and employees in ensuring compliance with its continuous disclosure obligations; and
 - (c) the requirements of this policy.
- 6.3 The Disclosure Officer must immediately decide in respect of information that comes to his or her attention (either directly or from a director) whether:
- (1) the information must be disclosed to the ASX;
 - (2) an exception which allows non-disclosure to apply; or
 - (3) an alternative procedure, such as whether a notice pending, trading halt or suspension of shares is appropriate in all the circumstances.
- 6.4 In the case of paragraphs 6.3(1) and 6.3(2), there are 3 alternatives:
- (1) The Disclosure Officer believes the information is price sensitive and must be disclosed. In this case, the Disclosure Officer must:
 - (a) discuss the matter with management;
 - (b) discuss the matter with the Chief Executive Officer who may, in turn, discuss the matter with the Chairperson or other directors; and
 - (c) prepare a letter to the ASX disclosing the price sensitive information. A copy of the letter must be sent to all directors and placed on the Disclosure File maintained by the Disclosure Officer.
 - (2) The Disclosure Officer is convinced the information is not price sensitive, or does not have to be disclosed because it is covered by the exceptions in Listing Rule 3.1. In this case, the Disclosure Officer must make careful notes setting out why the information has been brought to his or her attention and the reasons why the information is not price sensitive, or why the exceptions in Listing Rule 3.1 apply (as applicable). These notes must be placed on the Disclosure File.

- (3) The Disclosure Officer is not certain whether the information is price sensitive, or whether it falls within an exception. In this case, the Disclosure Officer must follow the appropriate procedures in paragraph 6.4(1) and seek external legal or financial advice.
- 6.5 The Disclosure Officer shall be responsible for ensuring that Company announcements:
- (1) are factual;
 - (2) do not omit material information; and
 - (3) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

7. What is Material Information?

- 7.1 The Disclosure Officer is responsible for making decisions about what information will be disclosed.

Materiality test

- 7.2 Information is material if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.
- 7.3 **Materiality** is assessed against this qualitative test, considering the Company's business activities, size and place in the market.
- 7.4 A quantitative assessment may also be undertaken by the Company's Disclosure Officer as part of, but not in substitution for, the materiality test.
- 7.5 To ensure that there is no pre-judgment of the materiality test, directors, employees and consultants must inform the Disclosure Officer of any potentially material price or value sensitive information or proposal as soon as they become aware of it.
- 7.6 If an employee is in any doubt about whether particular information is potentially price sensitive, they should immediately disclose the information to **their manager who then must inform** the Disclosure Officer.
- 7.7 In addition to those set forth in the Schedule, examples of the types of information which may require disclosure include:
- (1) a change in revenue, or profit or loss, forecasts;
 - (2) a change in asset values, or the amount of liabilities;
 - (3) a change in taxation or accounting policy;

- (4) a change in the attitude of significant investors to investment in the Company's shares;
 - (5) decisions of regulatory authorities in relation to the Company's business;
 - (6) relationships with new or existing significant customers or suppliers;
 - (7) the formation or termination of a joint venture or strategic alliance;
 - (8) the entry into or termination of a major contract;
 - (9) significant transactions involving the Company group;
 - (10) labour disputes;
 - (11) the threat, commencement or settlement of any material litigation or claims;
 - (12) a copy of a document containing market sensitive information that the Company lodges with an overseas exchange or other regulator and which is available to the public in that country;
 - (13) an agreement between the Company and 1 of its directors or 1 of their related parties;
 - (14) the health of any director.
- 7.8 There are many other types of information that could give rise to a disclosure obligation. For example, developments in companies which are affiliated with, but not controlled by, the Company may be price sensitive when related to the Company itself. Any questions on whether particular information is price sensitive should be immediately directed to the Disclosure Officer.

8. Contraventions and penalties

8.1 Contravention

The Company contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by Listing Rule 3.1 to be disclosed. If the Company contravenes this obligation by failing to notify the ASX of information:

- (1) that is not generally available; and
- (2) 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*.

8.2 **Liability and enforcement – penalties for breach**

(1) **The Company**

If the Company contravenes its continuous disclosure obligations, it may face:

- (a) if the contravention is intentional or reckless – criminal liability with a monetary fine;
- (b) 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
- (c) delisting from the ASX.

ASIC can also institute proceedings under the *Australian Securities and Investments Commission Act 2001*.

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.

(2) **Others**

The Company's officers (including its directors), employees or advisers who are involved in the contravention by the Company, may also face criminal liability, the consequences of which are a monetary fine, 5 years imprisonment or both, and civil liability as outlined above.

(3) **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).

(4) **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 its securities.

The schedule Examples

In addition to the scenarios contained in the guidance note, the ASX has also included in the Listing Rules the following examples of information which would need to be disclosed under Listing Rule 3.1 if it is material:

1. A change in the entity's financial forecast or expectation.
2. The appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt borrowing or securities held by it or any of its child entities.
3. A transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity's consolidated assets. Normally an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
4. A change in the control of the responsible entity of a trust.
5. A proposed change in the general character or nature of a trust.
6. A recommendation or declaration of a dividend or distribution.
7. A recommendation or declaration that a dividend or distribution will not be declared.
8. Under subscriptions or over subscriptions to an issue.
9. A copy of a document containing market sensitive information that the entity lodges with an overseas exchange or other regulator which is available to the public. The copy given to the ASX must be in English.
10. An agreement or option to acquire an interest in a mining tenement, including the number of tenements, a summary of previous exploration activity and expenditure, where the tenements are situated, the identity of the vendor and the consideration for the tenements.
11. Information about the beneficial ownership of shares obtained under Part 6C.2 of the *Corporations Act 2001*.
12. Giving or receiving a notice of intention to make a takeover.
13. An agreement between the entity (or a related party or subsidiary) and a director (or a related party of the director).
14. A copy of any financial documents that the entity lodges with an overseas stock exchange or other regulator which is available to the public. The copy given to the ASX must be in English.
15. A change in accounting policy adopted by the entity.



16. Any rating applied by a ratings agency to an entity or securities of an entity and any change to such a rating.
17. A proposal to change the entity's auditor.

Note: These examples are not an exhaustive list. Employees should notify the Disclosure Officer of any matters that they think may be "price sensitive" or influence an investor's decision to buy or sell securities.