

# Continuous Disclosure Compliance Policy



**DataDot Technology Ltd**

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# **CONTINUOUS DISCLOSURE**

## **COMPLIANCE POLICY AND RULES**

### **1 INTRODUCTION**

The continuous disclosure provisions of the *Corporations Act* and the ASX Listing Rules and the Listing Rules mean that criminal and civil liabilities could be imposed on DataDot Technology Limited (“the Company” or “DDT”) and its officers if material information is not released to the market in accordance with Listing Rule 3.1. Material information must be disclosed to the market immediately after it becomes known, unless it falls within an exception to the rule.

This document deals with:

- (a) the obligations of the Company;
- (b) the key obligations of Directors and employees of the DDT Group;
- (c) the type of information that needs to be disclosed;
- (d) the procedures for internal notification and external disclosure;
- (e) the procedures for promoting understanding of compliance with the disclosure requirements; and
- (f) the procedures for monitoring compliance.

These procedures will be reviewed regularly to ensure they remain relevant and appropriate. If you have any suggestions for improvement or consider there is a problem with any aspect of these procedures, please raise the issue with the Company Secretary.

In summary, the Rules require employees and Directors of the DDT Group to notify the Company Secretary or Chief Executive Officer when they become aware of previously undisclosed information that may require release to the market under Listing Rule 3.1. In consultation with the Company Secretary the Chief Executive Officer must decide whether an announcement or other action is required and initiate the announcement or other action as required.

The Board of DDT considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally, it notes at each meeting matters disclosed since its last meeting.

### **2 THE COMPANY’S OBLIGATIONS**

Listing Rule 3.1 requires “immediate” disclosure of any information concerning the Company, of which the Company is or becomes aware, which a reasonable person would expect to have a material effect on the price or value of shares and/or other securities of the Company.

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Section 674 of the *Corporations Act* reinforces Listing Rule 3.1 by creating criminal and civil penalties for non-compliance.

The requirement to disclose this information does not apply if, and only if, **each** of the following three conditions is and remains satisfied:

1. a reasonable person would not expect the information to be disclosed; **and**
2. the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; **and**
3. **one or more** of the following conditions apply:
  - (i) it would be a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation (for example, a negotiation to enter into a new contract);
  - (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;
  - (v) the information is a trade secret.

If the ASX considers that there is or is likely to be a false market in DDT's securities and asks the Company to give it information to correct or prevent a false market, the Company **must** give the ASX the information needed to correct or prevent the false market. This obligation to give information arises even if the exceptions outlined above apply.

ASX Listing Rules Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1, provides examples and details to assist listed entities with their obligations under Listing Rule 3.1. A copy of the Guidance Note in respect of Listing Rule 3.1 is available upon request from the Group Company Secretary.

### **3 THE COMPANY SECRETARY'S OBLIGATIONS**

The key obligations of the Company Secretary are to:

- (i) Communicate with the ASX in relation to Listing Rule matters generally.
- (ii) Consult with the Chief Executive Officer regarding matters for announcement under Listing Rule 3.1.
- (iii) Provide announcements to the ASX Companies Announcements Office.
- (iv) Inform DDT Group staff of their obligations under this policy.
- (v) Inform DDT Group staff of announcements made to the market.
- (vi) Liaise with DDT's media advisers and brokers on announcements to the market.
- (vii) Ensure the DDT Board considers the question of disclosure in relation to all items of business before it.

## 4 HOW DOES THE COMPANY "BECOME AWARE"?

Compliance with Listing Rule 3.1 is the responsibility of the Company, which will be deemed to have become aware of information where a Director or executive officer has, or ought reasonably to have, come into possession of the information in the course of performance of his/her duties as a Director or executive officer of the Company. A Director or executive officer who "ought reasonably" to have come into possession of potentially relevant information should bring this information to the attention of the Company Secretary or Chief Executive Officer.

An "executive officer" is a person concerned with, or taking part in, the management of the Company.

## 5 MATERIALITY

The Company **must** disclose information if a reasonable person would expect that information to have a material effect on the price or value of the securities of DDT. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell, those securities.

Neither the Listing Rules nor the *Corporations Act* define when information will be taken to have such an effect. As the accounting standards relevant to preparation of financial statements apply a threshold for materiality of 5% of the base amount (which may vary among balance sheet items, net profit and cash flows, depending on the context), the Company has adopted a policy of immediately disclosing any information which might have any effect on the share price by virtue of having a 5% impact on a base amount as defined in AASB 1031. This is not the only information, however, which may be material. A contract lower than 5% of revenue or EBITDA may still be material if it has strategic significance such as a new client with significant growth prospects or a new business line.

Other non-monetary concepts of materiality will also be relevant to determinations of materiality under this policy, for example:

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

## 6 THE TYPE OF INFORMATION THAT MUST BE DISCLOSED

It is not possible to exhaustively list the information that must be disclosed. The following examples are provided to give some idea about information that might require disclosure under Listing Rule 3.1.

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- A change in the Company's financial forecast or expectation.
- 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.
- 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.
- A declaration of a dividend or distribution.
- A decision that a dividend or distribution will not be declared.
- Giving or receiving a notice of intention to make a takeover.
- An agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director).
- A change in accounting policy adopted by the Company which would have a material effect on the Company's financial results or position.
- A proposal to change the Company's auditor.
- Any loss or gain of independence within the Board.

If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Company Secretary or Chief Executive Officer so that advice can be given and a formal decision can be made as to whether to release the information.

Additional examples of the type of information that should be immediately notified are:

- Win or loss of a material contract.
- An acquisition at a material cost to DDT.
- A significant change in the product mix offered or business conducted by the DDT Group.

## **7 THE CHIEF EXECUTIVE OFFICER'S OBLIGATIONS**

The Chief Executive Officer is primarily responsible for ensuring that DDT complies with its disclosure obligations and is primarily responsible for deciding what information will be disclosed. In consultation with the Company Secretary, a decision will be made by the Chief Executive Officer about whether to disclose the information, take any necessary steps to protect its confidentiality, or take steps to prevent a false market, such as requesting a trading halt.

Any matters of contention should be referred to the Board for consideration. The Board of Directors is the ultimate decision-maker on the Company's continuous disclosure, and may seek such advice as it sees fit to ensure the company's disclosure obligations are met at all times.

## **8 OBLIGATIONS TO NOTIFY**

Where any information comes to light about the Company that may need to be released, all staff and Directors are obliged to bring that information to the attention of the Company Secretary or Chief Executive Officer with all possible expediency.

It is the responsibility of the Group Company Secretary to inform the Chief Executive Officer as to the information received and to advise on the application of the disclosure rules to the circumstances. It is the responsibility of the Chief Executive Officer to determine whether disclosure is required.

Prior to disclosure, Directors and employees must treat the information as strictly confidential.

## **9 DECISION NOT TO DISCLOSE INFORMATION**

If a decision is made by the Chief Executive Officer not to disclose information, the reasons for that decision must be documented at the time the decision is made and retained by the Company Secretary.

## **10 CONFIDENTIAL INFORMATION**

In determining whether any information that comes to light about the Company needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure in Listing Rule 3.1A (point 2 above) apply. In particular, a determination may need to be made as to whether the information is confidential. If a determination is made that the information is confidential, then the Chief Executive Officer will ensure that anyone who has a copy of the information is aware that it is confidential.

The Chief Executive Officer will cause the Company's share price to be monitored continually. If there are any unexpected movements in the share price, then the Chief Executive Officer will need to determine whether the cause of that movement relates to the unauthorised release of any confidential information. If the share price movement relates to the unauthorised disclosure of confidential information, then the Chief Executive Officer must ensure that action is taken to ensure the Company is in compliance with its disclosure obligations and, in particular, to prevent there being a false market in the Company's securities.

## **11 RELATIONSHIP WITH MEDIA AND PUBLIC**

A company must disclose information needed to prevent a false market. Accordingly, it may be necessary for the Company to correct a rumour or to respond to speculation, including media speculation.

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The Company Secretary will monitor the media to detect issues that may require the Company to make an announcement or take other action under the disclosure rules.

Relevant information for release to the market must be provided to the ASX under Listing Rule 3.1 and released to the market before it is provided to the media or any other third party.

Care must be taken not to make comments to the media or others which could result in rumours or speculation about the Company. Staff must comply with the media relations policy of the Company. That policy limits media contact to the Chief Executive Officer, the Chairman or their delegates (including external public relations and investor relations services providers on a case by case basis). Other officers and employees may only confer with the media in relation to a particular matter concerning the Company if they have obtained the prior express approval of the Chief Executive Officer or their delegate for the purpose of giving such approval.

It is also important to ensure that any speeches or external addresses do not result in rumours or speculation about the Company or unauthorised disclosure. The text of all such speeches and external addresses must receive the prior endorsement of the Chief Executive Officer.

In briefings to media/public/analysts, DDT staff must not disclose previously undisclosed material information.

## **12 BOARD CONSIDERATION OF DISCLOSURE**

The Board of DDT will consider whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally the Board will note at each meeting all matters disclosed since the last meeting.

## **13 MONITORING OF COMPLIANCE**

The Chief Executive Officer will ensure that the continuous disclosure obligations of the Company are drawn to the attention of Directors and relevant employees by written memorandum, at least once in every 12 month period. At least once in every 12 month period, the Board will review the Company's compliance with this document.

From time to time, and if considered necessary, the Board will update this document (and distribute an updated copy to all Directors and relevant employees) to reflect changes in the Company's business operations and changes in the Corporations Act and the Listing Rules.

The induction procedures for new Directors, designated compliance officers and senior managerial staff must require that a copy of this document be provided to them.



## **14 SHARE DEALING BY EMPLOYEES AND DIRECTORS**

Any Director or employee of the Company proposing to trade in DDT shares must comply with the Share Trading Policy as amended from time to time. A copy of this document is provided to all staff on commencement of employment, is available from the Group Company Secretary on request and is published in the DDT Group Policies and Procedures manual.

## **15 AUDIT**

The Board will annually audit the Company's adherence to the procedures set out in this document.

## **16 REPORTING AND CORRECTING MISTAKEN NON-DISCLOSURE**

Any Director or employee of the Company who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately telephone the Company Secretary so that appropriate action can be taken.

## **17 SUMMARY**

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for the Company and its Directors and employees and could have a damaging impact on the perception of the Company within the investment community. Any Director or employee of the Company who willfully or negligently causes a failure to comply by the Company will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.

All Directors and employees are encouraged to actively consider the need for disclosure. Do you have undisclosed information likely to influence a person to buy or sell DDT securities? If so, notify the Company Secretary or if you are a Director, the Chief Executive Officer, as soon as possible.