

# Non-Listed Community Bank<sup>®</sup> Company

## Continuous Disclosure Policy

Molonglo Financial Services Limited

Adopted by the Board on 30 March 2015

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## **1. Purpose and Objectives**

1. This document sets out the Continuous Disclosure Policy of Molonglo Financial Services Limited (the Company).
2. The Company has certain continuous disclosure obligations under the Corporations Act 2001 and aims to ensure that shareholders and other stakeholders are kept informed of all material developments affecting the state of affairs of the Company.
3. Additionally, the Company recognises that potential investors, shareholders and other interested stakeholders may wish to obtain information about the Company from time to time.
4. This policy sets out the means by which the Company aims to comply with its Continuous Disclosure obligations and meet the information needs of interested stakeholders by:
  - ensuring that shareholders and other stakeholders are kept informed of all major developments affecting the state of affairs of the Company, through a range of forums and publications;
  - imposing strict controls on what is said and by whom on behalf of the Company; and
  - complying with the good practice guide to disclosure in ASIC Regulatory Guide 198.
5. Failure to comply with the Continuous Disclosure Policy may lead to a breach of the Corporations Act, for which directors or other officers of the Company may be held personally liable.
6. For this reason, compliance with the Continuous Disclosure Policy is taken very seriously by the Company.

## **2. Overview of continuous disclosure obligations, contraventions and penalties**

7. The Company is a public company registered with ASIC and is considered to be an unlisted disclosing entity not listed on the National Stock Exchange (NSX)
8. Unlisted disclosing entities are subject to continuous disclosure obligations that require them to make material information available to investors as soon as practicable after having become aware of it.
9. If the Company contravenes its Continuous Disclosure obligations, it may be liable under the Corporations Act and may face:
  - criminal liability which attracts substantial monetary fines; and
  - civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information.
10. ASIC also has the power to issue infringement notices to the Company and can initiate investigations of suspected breaches under the *Australian Securities Commission Act 1989* (Cth).
11. The procedures specified in this policy are the minimum expected of relevant Company officers in relation to compliance with the Company's continuous disclosure obligations. Depending on the circumstances, officers may have obligations over and above those contained in this policy.
12. The Continuous Disclosure obligations, contraventions and penalties are described in more detail in the attachment to this policy.

### **3 Restrictions on communicating with shareholders, other stakeholders and the media**

#### **3.1 Authorised spokespersons**

13. The Company seeks to maintain regular contact with its shareholders, other stakeholders and the media from time to time, but as a public company, must exercise strict controls on what is said and by whom.
14. The only officers authorised to make any public statement on behalf of, or attributable to, the Company are;
  - the Chair
  - the Deputy Chair, or
  - delegates nominated for a specific purpose.
15. Approved spokespersons of the Company must ensure that when speaking on behalf of the Company that they do not communicate material price-sensitive information before that information is disclosed to all shareholders and other stakeholders in compliance with the Company's continuous disclosure obligations.
16. Media releases on Company policy, acquisitions, or other sensitive matters (such as the Company's performance), whether by way of written releases, verbal comment or email communication, may only be made on the authority of the spokespersons in accordance with section 3.3 below.
17. Any questions or inquiries from shareholders, interested stakeholders or investors, media and the general public (whether received in writing, verbally or electronically including via the website) should be referred in the first instance to the Company Secretary who will determine the most appropriate person on the board to respond or action any question or inquiries.
18. If any director, company officer or employee becomes aware of any information at any time that should be considered for release on the website or to ASIC in accordance with the Company's continuous disclosure obligations, it must be reported immediately to the Company Secretary.
19. The Company Secretary will ensure that any announcements to ASIC made under this policy are also placed promptly on the Company's Investor Relations webpage.

#### **3.2 Role of Company Secretary**

20. The Company has nominated the Company Secretary as the person with the primary responsibility for managing communications with shareholders and other stakeholders.
21. In particular the Company Secretary is responsible for:
  - managing all questions, inquiries and requests in the first instance from shareholders, other stakeholders, investors, media and general public and coordinating the appropriate response;
  - liaising with the Chair and the Deputy Chair in relation to preparation of draft communications to shareholders;
  - attending all briefings, meetings and discussions with shareholders and making a record or note of all briefings for compliance purposes;
  - immediately reporting to the Chair/Deputy Chair any instances where information that may have a material affect on the price or value of the Company's securities has been disclosed inadvertently at briefings, meetings and discussions with shareholders; and
  - monitoring media reports about the Company.

### 3.3 Communication with shareholders and other stakeholders

22. Throughout the year the Company has scheduled times for disclosing information on its performance. The financial results announcements, and supporting information, must be placed on the Company's website.
23. In addition, the Company may interact with external stakeholders in a number of other ways outside these sessions which can include one-on-one briefings and speeches.
24. At all times when interacting with external stakeholders, the Company must adhere to its Continuous Disclosure obligations and must not selectively disclose material information to an external party unless that information has first been placed on the Company's website.
25. Subject to its Continuous Disclosure obligations, the Company will not generally comment on rumours or market speculation.
26. As a matter of Company policy, media releases and shareholder communications must first be provided to the Chair or Deputy Chair for clearance and subsequent approval by Bendigo Bank. Company-sensitive matters are to be disclosed through the Company's Investor Relations webpage before that information is made publicly available in any other way.
27. The procedure for release of announcements on the Company's website is:
  - All media releases on Company-sensitive matters such as the Company's performance, dividend declarations, policies, acquisitions, or other matters, must be considered by the Chair or Deputy chair before final approval by the board.
  - Copies of all proposed statements must be provided to Bendigo Bank before release for clearance and disclosure through the Company's website. The Company is to also provide confirmation that the release is the final version as approved by the board.
28. In all cases where approval is granted to talk to the media, particular attention must be paid to relevant laws, including the Corporations Act, Trade Practices, Consumer Protection, Environment and Health and Safety Legislation.

## 4 Disclosure of material information on website

29. One of the Company's key communication tools is its website located at [www.bendigobank.com.au/<branch suburb>](http://www.bendigobank.com.au/<branch suburb>)
30. In addition to the material specifically referred to below, the website includes details of the following:
  - the Company's constitution;
  - the Company's Board and Board Committee charters;
  - the Company's core corporate governance policies;
  - dividend declared and paid by the Company;
  - any press release and announcements made by the Company within the last 3 years; and
  - financial information about the Company.
31. Measures for communicating the following important aspects of the Company's affairs include:
  - **Notice of meeting:** The Company places the full text of all notices of meetings and explanatory material on its website. The Company encourages shareholders to provide email addresses so that notices of meeting and explanatory material can be sent to shareholders via email.
  - **Annual Report:** The Company's Annual Report is available on its website and contains important information about the Company's activities and results for the previous financial year. Shareholders can elect to receive the Company's Annual Report as an electronic copy or in hard copy through the mail.
  - **Presentations:** Copies of all material presentations made to stakeholders and media briefings are posted on the Company's website.

- **Other information:** The Company provides a telephone helpline facility and an online email inquiry service to assist shareholders with any queries. Information is also communicated to shareholders via periodic mail outs, or by email to shareholders who have provided their email addresses.

## Attachment

1. This Attachment outlines the Company's continuous disclosure obligations under the Corporations Act.

### What is material information?

2. Material information is information that is not generally available and that a reasonable person would expect to have a **material effect** on the price or **value** of the Company's securities if that information was generally available.
3. A reasonable person would expect information to have a material effect on the price of value of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of them. Examples of information which may be materially price sensitive and should be disclosed on the Company's website in accordance with the good practice guide include:

- **Financial forecasts and valuations:** a material change in previously released financial forecasts or expectations, or to the value of the underlying assets an unlisted disclosing entity holds;
- **Ratings:** any rating applied to the Company or its securities, or any change to such a rating;
- **Debt funding:** information about any material change to the status or terms of the Company's debt funding and any material breaches by the entity of loan covenants;
- **Share matching facility:** if share sale requests are to be suspended or limited at any time, that fact and brief reasons why;
- **Corporate Actions:** information about corporate actions that are likely to affect the value of investors' securities.

This is a **non-exhaustive** list.

### Exceptions to the need to disclose material price sensitive information

4. The Company is not required to disclose material information where **each** of the following conditions is and remains satisfied:
  - (1) a reasonable person would not expect the information to be disclosed; **and**
  - (2) the information is confidential; **and**
  - (3) **one or more** of the following apply:
    - the disclosure of the information would contravene a law;
    - the information is a matter of supposition or insufficiently definite to make disclosure appropriate;
    - the information relates to an incomplete proposal or a matter that is in course of negotiation;
    - the information was prepared or created for the internal management purposes of the Company; or
    - the information is a trade secret.
5. As soon as any one of these 3 conditions is no longer satisfied (e.g. the information is reported in the media and is therefore no longer confidential), the Company must comply with its continuous disclosure obligation.
6. When the Company is relying on an exception to section 675, 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 deny the Company the ability to withhold the information from ASIC and force the Company to make a 'premature' announcement.

## **Contraventions**

7. The Company contravenes its continuous disclosure obligations if it fails to notify ASIC of information required by section 675.
8. If the Company contravenes its continuous disclosure obligations, it may be liable under the Corporations Act and may face:
  - criminal liability which attracts substantial monetary fines; and
  - civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to ASIC.
9. ASIC has the power to issue infringement notices to the Company. An infringement notice issued for a failure to discharge continuous disclosure obligations owed to ASIC under section 675 carries a fine of \$33,000 but may increase to \$66,000 if the Company has:
  - (1) been convicted of a continuous disclosure offence;
  - (2) been subject to a civil penalty order for a continuous disclosure contravention; or
  - (3) breached an enforceable undertaking given to ASIC in relation to the continuous disclosure provisions of the Corporations Act.
10. ASIC can also initiate investigations of suspected breaches under the Australian Securities Commission Act 1989 (Cth).

## **Persons involved in a contravention**

11. The Company's directors, officers, employees or advisers who are involved in any contravention of the Company's continuous disclosure obligations may also face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.
12. The procedures specified in this policy are the minimum expected of relevant officers and employees in relation to compliance with the Company's continuous disclosure obligations. Depending on the circumstances, officers and employees may have obligations over and above those contained in this policy.
13. To avoid potential civil or criminal liability, in all situations officers and employees must do everything they reasonably can to ensure that the Company complies with its continuous disclosure obligations.
14. In particular, 'material news' must not be hidden or delay, especially when the information is likely to impact the value of the Company's shares.