



**Corporate Governance Policy –**  
**Continuous Disclosure**

**GENEX POWER LIMITED**

ACN 152 098 854

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**(Company)**

# Corporate governance policy – continuous disclosure

## 1. Introduction

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

1.2 This policy has been adopted by the board of directors of the Company (**Board**).

## 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 and the *Corporations Act 2001*;
- (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.

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.

The Company must disclose the information to ASX as soon as one of paragraphs (1), (2) or (3) is no longer satisfied.

- 4.2 The ASX 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 The ASX Listing Rules set out the following examples of information that would, if material, need to be disclosed under ASX Listing Rule 3.1:
- (1) a change in the Company's financial forecasts or expectations;
  - (2) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries;
  - (3) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (ASX's view is that normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case);
  - (4) a recommendation or declaration of a dividend or distribution;
  - (5) a recommendation or decision that a dividend or distribution will not be declared;
  - (6) under subscriptions or over subscriptions to an issue of securities;
  - (7) a copy of a document containing market sensitive information that the Company lodges with an overseas stock exchange or other regulator which is available to the public;
  - (8) information about the beneficial ownership of securities obtained under Part 6 C.2 of the *Corporations Act 2001*;
  - (9) giving or receiving a notice of intention to make a takeover;
  - (10) an agreement between the Company (or a related party or subsidiary) and a director of the Company (or a related party of the director);
  - (11) a change in accounting policy adopted by the Company;
  - (12) any rating applied by a rating agency to the Company, or securities of the Company, and any change to such a rating; or

- (13) a proposal to change the Company's auditor.

## **5. Policy**

5.1 The Board is required to appoint a Disclosure Officer to administer the Company's continuous disclosure policy. This will be the Company's Chairman from time to time.

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 Managing Director or 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 Managing Director.

## **6. Disclosure Officer**

6.1 The Board has appointed the company secretary to act as the Disclosure Officer to:

- (1) monitor the Company's compliance with disclosure obligations;
- (2) be responsible for disclosure to the ASX; and

- (3) 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, in conjunction with the Managing Director:

- (1) periodically monitor disclosure processes and reporting and periodically review the effectiveness of disclosure and materiality guidelines;
- (2) decide what information must be disclosed to the ASX;
- (3) conduct all disclosure discussions with management;
- (4) conduct all disclosure discussions with the ASX;
- (5) 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; and
- (6) take such action as the Disclosure Officer, in conjunction with the Managing Director, 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) there is 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 the Managing Director who may, in turn, discuss the matter with the Chairman or other directors; and
  - (b) 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 believes reasonably in all of the circumstances and after consultation with the Managing Director the information is not price sensitive, or does not have to be disclosed because it is covered by the exceptions in ASX Listing Rule 3.1A. 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 ASX Listing Rule 3.1A 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 (in conjunction with the Managing Director) be responsible for ensuring that Company announcements:
- (1) are made in a timely manner;
  - (2) are factual;
  - (3) do not omit material information; and
  - (4) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

## **7. Contraventions and penalties**

### **7.1 Contravention**

The Company contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by ASX 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. Public availability of materials**

- 8.1 This Policy or a summary of its main provisions shall be made publicly available on the Company's website in a clearly marked corporate governance section.

**Approved by the Board on 1 May, 2014.**