

# Continuous Disclosure Policy

DirectMoney Limited (ACN 004 661 205) (**DirectMoney** or **Company**)

## 1 Introduction

This Policy imposes obligations and procedures on all Directors, employees and contractors of DirectMoney and its subsidiaries (**Group**) to ensure, on the one hand, protection of confidential information and, on the other hand, the timely and balanced disclosure of all material matters concerning the Group. Compliance with this policy is critical and failure to comply could lead to civil or criminal liabilities for the Company and its employees, and could have a damaging impact on the perception of the Company within the investment community.

## 2 Application

This Policy applies to all Directors, senior executives (including senior and key officers) (**Senior Executives**), employees and contractors of the Group (**Group Personnel**).

## 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 Australian Securities Exchange (**ASX**) Listing Rules and the *Corporations Act 2001* (Cth) (**Corporations Act**); and
- (2) establish internal procedures so that all Group Personnel understand their obligations to ensure:
  - (a) confidential information is protected; and
  - (b) disclose Price Sensitive Information (as defined in clause 4.1 and further explained in clause **Error! Reference source not found.**) to the Disclosure Officer.

## 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 (**Price Sensitive Information**), the entity must immediately inform the ASX of that information.

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- 4.2 Under ASX Listing Rule 19.12, DirectMoney is deemed to have become aware of information if, and as soon as, a Director or other officer of DirectMoney has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a Director or other officer of DirectMoney. An ‘officer’ is a person who is concerned in, or takes part in, the management of DirectMoney, regardless of their designation, and includes directors, secretaries and certain senior managers as defined as ‘officers’ in the Corporations Act.
- 4.3 The disclosure obligation applies not only to market sensitive information of which DirectMoney directors or other officers are actually aware, but also market sensitive information of which they ought reasonably to have been aware. This rule necessitates that a listed entity takes positive steps to establish and maintain an effective internal compliance program.
- 4.4 Information that would be expected to have a “material effect” on the price or value of DirectMoney securities is defined in section 677 the Corporations Act as being likely to influence persons who commonly invest in securities in deciding whether or not to buy or sell of the securities.
- 4.5 Guidance Note 8 to the ASX Listing Rule 3.1 suggests an effective way to assess materiality would be to ask two questions:
1. Would this information influence my decision to buy or sell securities in the entity at their current market price?
  2. Would I feel exposed to an action for insider trading if I were to buy or sell securities in the entity at their current market price, knowing this information had not been disclosed to the market?

In addition, in assessing whether or not information is market sensitive and therefore needs to be disclosed under Listing Rule 3.1, the information needs to be looked at in context, rather than in isolation, against the backdrop of:

- the circumstances affecting DirectMoney at the time;
- any external information that is publicly available at the time; and
- any previous information that DirectMoney has provided to the market.

- 4.6 Examples of information that would need to be disclosed under ASX Listing Rule 3.1 are set out in the Schedule to this Policy.
- 4.7 There is, however, an exception to the disclosure of Price Sensitive Information in Listing Rule 3.1. This exception applies when:
- (1) a reasonable person would not expect the information to be disclosed;

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- (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.
- 4.8 These exceptions seek to balance the legitimate commercial interests of listed entities and their security holders with the legitimate expectations of investors and regulators concerning the timely release of market sensitive information. Where one of these requirements ceases to be satisfied, the exception no longer applies and the entity must disclose the information immediately under Listing Rule 3.1.
- 4.9 Price sensitive information, which is not disclosed to the market, because it satisfies the three limbs outlined above under ASX LR3.1A, must not be passed onto third parties (other than to those connected with the proposed transaction). Staff negotiating the transaction must ensure, to the extent possible, any third party involved with the transaction must not disclose the information to other parties or deal in the Group's securities.
- 4.10 What do you do if you think you may be in possession of price sensitive information?
- Speak to your team or direct manager
  - Discuss with the CEO and/or CFO
  - CEO will discuss with CFO and Company Secretary
  - Discussion at Board level

**5 Market Rumours And Speculation**

- 5.1 The ASX does not expect an entity to respond to all comments made in the media or all market speculation. However, so that the market remains properly informed it will require a listed entity to respond to a false market. A false market refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise, for example, where:
- a listed entity has made a false or misleading announcement;

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- there is other false or misleading information, including a false rumour, circulating in the market; or
  - a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.
- 5.2 Where any member of senior management believes there is a market rumour or speculation, then the matter must be raised with the CEO in conjunction with the CFO and Company Secretary, and the Board to decide whether a public statement is required.
- 5.3 Management may in certain circumstances convene a special Disclosure Committee to consider whether disclosure is required. Management will report any outcomes arising from this Disclosure Committee back to the Board, including providing the Board with copies of any minutes and action items arising.

**6 Communications With Analysts And Investors**

- 6.1 In addition to the ASX announcements, DirectMoney senior management personnel and directors interact regularly with the market in a variety of ways, including result briefings, market announcements, one on one briefings, meetings and educational sessions.
- 6.2 Generally, price sensitive information must not be communicated to an external party unless it has previously been announced to the market.

**7 Authorised Company Spokespersons For Dealing With Institutional Investors And Stockbroking Analysts**

- 7.1 The company has authorised spokespeople to speak on behalf of DirectMoney to institutional investors and stockbroking analysts. The authorised spokesperson that has been appointed is the Chairman.
- 7.2 If another person receives a request for comment from an external investor or analyst in relation to any matter concerning DirectMoney they must advise the person that they are not authorised to speak on behalf of the Group (unless authorised to the contrary by an authorised person above) and must refer inquiries from:
- Investors and stockbroking analysts to the CEO or the CFO; and
  - the media to the CEO and/or the Chairman.
- 7.3 A separate section on communicating with the media is provided in section 12.

## **8 Open Briefings To Institutional Investors And Stockbroking Analysts**

8.1 DirectMoney's general rules for dealing with analysts' questions that raise issues outside the intended scope of discussion are as follows:

1. Only discuss information that has been publicly released through the ASX and not to discuss any material price/value sensitive information that has not been announced to the market generally.
2. If a question can only be answered by disclosing price sensitive information, the authorised spokesperson may decline to answer the question or take it on notice, then announce the information through the ASX before responding.

8.2 All slides and presentation materials used in briefings with analysts and institutional investors are released to the ASX prior to the briefing.

8.3 For compliance purposes, notes must be made of all one-on-one briefings held by DirectMoney personnel with stockbroking personnel and institutional investors. These file notes must be maintained for a reasonable period.

8.4 Refer section 11 for further details on Blackout periods – pre results.

## **9 Responding On Financial Projections And Reports**

9.1 Notwithstanding the ability of an investor to derive their own forecasts, the reality is the forecast information provided by analysts are widely used by investors in deciding to buy, hold or sell securities in DirectMoney.

9.2 The CEO and CFO monitors the analyst's forecast and will make an announcement where appropriate.

9.3 Where the Company receives forecasts from analysts for review prior to issuing a report. the CEO and CFO may:

- Point out factual inaccuracies, based on previously released information; and/or
- Discuss in general terms where analysts may have used different market assumptions.

9.4 The ASX has provided the following guidance in relation to disclosure around market expectations of the financial performance of a listed entity.

1. Where DirectMoney provides periodic earnings guidance, this guidance must have a reasonable basis in fact or else it will be deemed to be

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misleading. Should the entity anticipate a material change to this guidance, the market should be informed immediately.

2. Where DirectMoney does not give earnings guidance, care needs to be taken to ensure that statements could not be construed as de facto guidance. In addition, a listed entity that is covered by sell-side analysts should generally be monitoring analyst forecasts so that there is an understanding of the market's expectations for its earnings.
3. Where neither of the above two scenarios apply to DirectMoney, the market is entitled to rely on the earnings results of the Group for the prior corresponding reporting period. If DirectMoney becomes aware that its earnings for the current reporting period will differ materially from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of this.

**10 Announcement Sign-Off Protocol**

10.1 DirectMoney has put in place the following procedures for ASX related announcements.

1. Announcements in relation to statutory accounts and results releases will require **all directors** to approve the announcement.
2. Announcements of a general corporate nature (e.g. divestments, acquisitions) will require **all directors** to approve the announcement, unless the Board has specifically provided delegated authority to a sub-committee or individual directors.
3. Announcements of a compliance related nature (excluding director's interest notices) will require **all directors** to approve the announcement, unless the Board has specifically provided delegated authority to a sub-committee or individual directors.
4. Appendix 3X, 3Y and 3Z, director's interest notices, require the approval of the director to whom the notice relates.

10.2 The ASX Announcement procedures are outlined below:

<b>Step 1</b>	<p><b>Prior to release all announcements need to be approved by:</b></p> <ul style="list-style-type: none"> <li>• CEO;</li> </ul>
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	<ul style="list-style-type: none"> <li>• CFO;</li> <li>• Company Secretary; and</li> <li>• The Board, except where delegated authority has been provided by the Board for other directors to approve the announcement or where a director is unavailable.</li> </ul>
<b>Step 2</b>	Once the relevant sign offs have been obtained, the Company Secretary will release the Announcement using the ASX Online system.
<b>Step 3</b>	<p>Upon acknowledgement from the ASX by email (or facsimile) that the announcement has been lodged successfully, the announcement will be distributed to the following:</p> <ul style="list-style-type: none"> <li>• All members of the Management team</li> <li>• Directors</li> <li>• Brokers, institutions and the press (if applicable)</li> <li>• DirectMoney Limited's banks (if applicable)</li> <li>• DirectMoney Limited website</li> </ul>

- 10.2 The ASX has suggested processes to assist listed entities in complying with their continuous disclosure obligations in situations where disclosure can be extremely time critical, including having templates for trading halts, draft announcements prepared in advance and encouraging the use of Trading Halts.

## **11 Blackout Periods Pre Results Period**

- 11.1 During the time between the end of the financial year or half year and the reporting of actual results, DirectMoney has put in place blackout periods to ensure that there are no one-on-one briefings to discuss financial information with stockbroking analysts, institutional investors or individual investors ahead of annual and half yearly results, unless the information to be discussed at these briefings has already been disclosed to the ASX.
- 11.2 The blackout period will commence at the end of the financial year end (i.e. 30 June & 31 December) and will end on the date the results are issued to the market.
- 11.3 In addition, there is a comprehensive blackout period for 14 days prior to the release of the annual and half yearly results where no meetings are permitted to be held with stockbroking analysts, institutional investors or individual investors.

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- 12.1 A strong, positive media presence validates the DirectMoney brand promise by highlighting the Groups leadership and expertise credentials. Effective handling of media communications on sensitive issues minimises any damage to the DirectMoney brand and reputation.
- 12.2 The following procedures have been established to ensure that communications through the media are professional, ethical and support DirectMoney corporate policies and business objectives.

**Authorised spokespersons**

- 12.3 The CEO and/or the Chairman is the appointed spokesperson for communicating with the media. They may authorise another spokesperson, however this authority should be written, and outline the areas of discussion with the media representative. In practical terms, the authorised spokesperson may not comment on or issue material that is outside their specific area of responsibility and authority. Furthermore, these authorised spokespersons are prohibited from disclosing/commenting on any price sensitive information unless it has been previously disclosed to the market.
- 12.4 Other staff members receiving inquiries from the media, and who have not been authorised as spokespersons, are prohibited from making any comments to the media. Such enquiries will need to be referred immediately to the CEO and/or the Chairman.

**13 Information to be disclosed to Disclosure Officer**

- 13.1 The Board is required to appoint a Disclosure Officer to administer this Policy.
- 13.2 As soon as any Group Personnel 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 Information;

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;

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- (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.

**14 Disclosure of information externally**

- 14.1 Unless disclosed in accordance with this Policy, potentially Price Sensitive Information should be treated as strictly confidential. In particular, information concerning an incomplete proposal or negotiation, or information which is insufficiently definite to warrant disclosure, should not be disclosed externally to e.g. analysts, professional bodies, the media, customers or any other person (**External Persons**) and should only be disclosed internally to the minimum number of persons possible.
- 14.2 Any general confidentiality guidelines put in place by the Disclosure Officer must be followed. The Senior Executive(s) leading a proposed transaction also must consider whether any particular practices should be adopted in respect of that proposed transaction (having regard to the joint publication by Chartered Secretaries Australia (now Governance Institute of Australia) and the Australasian Investor Relations Association entitled *Handling confidential information: Principles of good practice*).
- 14.3 Potentially Price Sensitive Information must not be selectively disclosed to External Persons prior to being announced to the ASX.
- 14.4 If any Group Personnel is proposing to present any potentially Price Sensitive Information to External Persons (eg. at an analyst briefing) or make any media release, they should ensure that copies of their material are provided to the Disclosure Officer prior to presenting that information externally or making that media release. All material to be presented at a general meeting of shareholders also must be approved by or referred through the Disclosure Officer prior to briefing.
- 14.5 All enquiries from External Persons and shareholders must be referred to the Disclosure Officer.
- 14.6 When presenting Price Sensitive Information which has been approved by a Disclosure Officer, discussion should be limited to the scope of the approved material. Issues beyond this scope should only be discussed if the relevant information has already been announced to ASX. If a question can only be answered by disclosing potentially Price Sensitive Information, the person should decline to answer or take the question on notice.
- 14.7 If potentially Price Sensitive Information is leaked or inadvertently disclosed to External Persons, that information should immediately be provided to the Disclosure Officer.

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**15 Role of Disclosure Officer**

15.1 The Board has appointed the Company Secretary to act as the Disclosure Officer to:

- (1) monitor the Company's compliance with disclosure obligations, including the maintenance of confidentiality of information when appropriate;
- (2) be responsible for disclosure to the ASX;
- (3) approve media releases and other material for presentation to External Persons and shareholders;
- (4) deal with enquiries from External Persons and shareholders; and
- (5) have responsibility for communications with the ASX in relation to ASX Listing Rule matters generally (in accordance with ASX Listing Rule 12.6).

15.2 The Disclosure Officer must:

- (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, including the information needed to correct or prevent a false market;
- (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;
- (6) 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 (if any);
- (7) put in place such confidentiality policies (having regard to *Handling confidential information: Principles of good practice* (referred to in clause 14.2)) as the Disclosure Officer considers necessary or appropriate;
- (8) take such action as the Disclosure Officer considers necessary or appropriate (including if considered necessary the implementation of regular training sessions for relevant Group Personnel) to ensure that the

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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 Group Personnel in ensuring compliance with the Company's continuous disclosure obligations, including the maintenance of confidentiality of information when appropriate; and
- (c) the requirements of this policy.

15.3 The Disclosure Officer must as quickly as possible in the circumstances 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.

15.4 In the case of paragraphs 15.3(1) and 15.3(2), there are 3 alternatives:

- (1) The Disclosure Officer believes the information is Price Sensitive Information and must be disclosed. In this case, the Disclosure Officer must:
  - (a) discuss the matter with management;
  - (b) discuss the matter with the Company's Managing Director (or equivalent) who may, in turn, discuss the matter with the Chair or other Directors;
  - (c) prepare an announcement to the ASX disclosing the Price Sensitive Information which, if the announcement is particularly significant, must be considered and approved by the Board; and
  - (d) promptly and without delay send the announcement to ASX and a copy of the announcement to all Directors (usually by email), and place a copy of the announcement on the Disclosure File maintained by the Disclosure Officer.
- (2) The Disclosure Officer believes reasonably in all of the circumstances the information is not Price Sensitive Information, 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.

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If the information is covered by an exception in ASX Listing Rule 3.1A but then is leaked or inadvertently disclosed externally, the Disclosure Officer should consider whether the protection of the ASX Listing Rule 3.1A still applies. If so, then it should make notes as above explaining the reasons but nonetheless post the information on the Company's website. If not, the Disclosure Officer should undertake steps (a) to (d) in paragraph 15.4(1).

- (3) The Disclosure Officer is not certain whether the information is Price Sensitive Information, or whether it falls within an exception. In this case, the Disclosure Officer must follow the appropriate procedures in paragraph 15.1(1) and seek external legal or financial advice.

15.5 The Disclosure Officer shall be responsible for ensuring that Company announcements are:

- (1) made acting promptly and without delay ie. as quickly as possible in the circumstances and not deferring, postponing or putting it off to a later time;
- (2) factual;
- (3) complete i.e. do not omit Price Sensitive Information;
- (4) balanced i.e. they include not only positive Price Sensitive Information but also negative Price Sensitive Information; and
- (5) are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

## **16 Consequences of contraventions**

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.

## **17 Public availability of materials**

17.1 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:** 22 July 2015

## Schedule

### Examples of information that may require disclosure

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

- 1 A transaction that will lead to a significant change in the nature or scale of the entity's activities.
- 2 A material mineral or hydrocarbon discovery.
- 3 A material acquisition or disposal.
- 4 The granting or withdrawal of a material licence.
- 5 The entry into, variation or termination of a material agreement.
- 6 Becoming a plaintiff or defendant in a material law suit.
- 7 The fact that the entity's earnings will be materially different from market expectations.
- 8 The appointment of a liquidator, receiver or administrator.
- 9 The commission of an event of default under, or other event entitling a financier to terminate, a material financing facility.
- 10 Under subscriptions or over subscriptions to an issue of securities.
- 11 Giving or receiving a notice of intention to make a takeover.
- 12 Any rating applied by a ratings agency to an entity or securities of an entity and any change to such a rating.

*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.*