



Disclosure and communication policy

Smartgroup Corporation Ltd (ACN 126 266 831) (**Company**)

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Disclosure and communication policy

1 Introduction

1.1 Company's commitment to disclosure and communication

The Company is committed to the objective of promoting investor confidence and the rights of shareholders by:

- (a) complying with the continuous disclosure obligations imposed by law;
- (b) ensuring that company announcements are presented in a factual, clear and balanced way;
- (c) ensuring that all shareholders have equal and timely access to material information concerning the Company (and through it, its subsidiaries (the **Group**)); and
- (d) communicating effectively with shareholders and making it easy for them to participate in general meetings.

1.2 Purpose of this policy

This policy outlines corporate governance measures adopted by the Company to further its commitments. It seeks to incorporate:

- Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of security holders) of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition);
- the principles in Guidance Note 8 Continuous Disclosure: Listing Rule 3.1 – 3.1B issued by ASX¹; and
- the disclosure obligations in the ASX Listing Rules (**ASX Listing Rules**).

1.3 Application of this policy

This policy applies to all directors of the Company (**Board**), as well as officers, employees and consultants of the Group.

This policy is a general guide to complex legal provisions and should not be taken as legal advice.

1.4 Related Company Policies

The Company's Disclosure and Materiality Guidelines for Officers and Employees (**Guidelines**) are available to assist officers and employees to understand their obligations under this policy.

This policy should be read in conjunction with the Company's Trading Policy and the Guidelines.

¹ In this policy, **ASX** means ASX Limited or Australian Securities Exchange as appropriate.

2 Continuous disclosure obligations

2.1 Disclosure obligations

The Company is listed on ASX and must comply with the continuous disclosure obligations in the ASX Listing Rules. These obligations have the force of law under Part 6CA of the Corporations Act 2001 (Cth) (**Corporations Act**).

2.2 Immediate disclosure

Listing Rule 3.1 requires the Company, subject to certain exceptions, to immediately (meaning, "promptly and without delay") disclose to the market any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities. Disclosure is made by making an announcement to ASX.

When determining whether information should be disclosed the following key questions should be asked:

- (a) would this information influence an investor's decision to buy or sell the Company's shares at their current market price?
- (b) would the investor feel exposed to an action for insider trading if the investor were to buy or sell the Company's shares at their current market price, knowing the information had not been disclosed to the market?

If the answer to either of the above questions is "yes", then the information may be market sensitive and, unless an exception applies, may require immediate disclosure.

2.3 Material effect on price or value

Information will be taken to have a material effect on the price or value of the Company's securities if it would be likely to influence investors in deciding whether to buy, hold or sell the Company's securities if the information became public. This type of information is referred to as "price sensitive" information, and needs to be disclosed to ASX under ASX Listing Rule 3.1 unless an exception applies at the time.

What is material depends on the Company's business activities, size and place in the market. A matter may be material even if there is little impact on the Company's financial position and/or financial prospects. For example, the matter may have a significant impact on the Company's reputation or perception of the Company's strategy.

Materiality can be assessed having regard to the following examples given by ASX in ASX Listing Rule 3.1:

- (a) a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- (b) a material acquisition or disposal;
- (c) the granting or withdrawal of a material licence;
- (d) the entry into, variation or termination of a material contract;
- (e) becoming a plaintiff or defendant in a material law suit;
- (f) takeovers, mergers, de-mergers, restructures, schemes of arrangement and all other transactions involving a transfer of control or significant change in the nature or scale of the Company's activities;

- (g) giving or receiving a notice of intention to make a takeover;
- (h) share buybacks and capital reductions concerning the Company's securities;
- (i) equity capital raisings for the Company;
- (j) market updates, including any earnings guidance for the Company or a change in the relevance or profit or loss forecasts that is materially different from market expectations;
- (k) interim and final results, including media releases, investor presentations and investor reports accompanying the release of interim and final results;
- (l) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- (m) dividend policy and dividend determinations/declarations concerning the Company;
- (n) the appointment of a liquidator, administrator or receiver;
- (o) a change in tax or accounting policy;
- (p) a decision of a regulatory authority in relation to the Company's business;
- (q) a new relationship with a new or existing significant customer or supplier;
- (r) a formation or termination of a joint venture or strategic alliance;
- (s) any matter in respect of which Directors make a recommendation to the Company shareholders; and
- (t) any other matter that the Board determines to be a significant matter affecting the Company.

Guidance on materiality should be sought from the Chief Legal Officer and Company Secretary (**CLO**), Chief Executive Officer (**CEO**) or Chief Financial Officer (**CFO**). All ASX disclosures must be authorised in accordance with paragraph 4.1 of this policy before they are issued.

Further guidance on materiality is provided in the Guidelines.

If any material information disclosed to the market becomes incorrect, the Company must release an announcement correcting or updating the information.

2.4 Exceptions to disclosure of information

Disclosure of price sensitive information is not required if each of the following paragraphs (a), (b) and (c) is satisfied in relation to the information:

- (a) one or more of the following 5 situations applies:
 - (i) it would be a breach of a law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (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; or
- (v) the information is a trade secret; and
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

The Company must disclose the information to ASX as soon as one of paragraphs (a), (b) or (c) is no longer satisfied (for example, if the information is reported in the media and is therefore no longer confidential).

Guidance Note 8 provides further detail on the exceptions to immediate disclosure.

3 Disclosure roles, responsibilities and internal procedures

3.1 Role and responsibilities of the Board in relation to disclosure

The Board manages the Company's compliance with its disclosure obligations and this policy. Its responsibilities include:

- (a) seeking to ensure that the Company complies with its disclosure obligations including having relevant procedures in place;
- (b) assessing the possible materiality of information which is potentially price sensitive;
- (c) making decisions on information to be disclosed to the market;
- (d) seeking to ensure that announcements are made in a timely manner, are not misleading, do not omit material information and are presented in a clear, balanced and objective way;
- (e) reviewing the Company's periodic disclosure documents and media announcements before release to the market; and
- (f) periodically monitoring disclosure processes and reporting and periodically reviewing the effectiveness of the Guidelines.

3.2 Role and responsibilities of Chief Legal Officer and Company Secretary

The Company has appointed the Chief Legal Officer and Company Secretary (**CLO**) as the person responsible for communication with ASX in relation to listing rule matters and also for the general administration of this policy.

The CLO's responsibilities include:

- (a) seeking to ensure that ASX is immediately notified of any information which needs to be disclosed;
- (b) ensuring that continuous disclosure announcements are distributed to the Board and executive managers by email immediately after they have been released to the ASX;
- (c) reviewing board papers and other information referred to the CLO for events that the CLO considers may give rise to disclosure obligations; and

- (d) maintaining a record of discussions and decisions made about disclosure issues by the Board and a register of announcements made to ASX.

3.3 Other employees – Guidelines

This policy and the Guidelines are provided to all officers and relevant employees of the Group on appointment, or where those officers and relevant employees are already in the employ of the group, upon approval of the policy, and are available to all employees and consultants. They must read this policy and the Guidelines so as to gain an appreciation of what type of information may potentially be price sensitive and when to immediately refer any matter or event which may need to be disclosed to the CLO.

The Board will periodically review the Guidelines and organise training for the Group's officers and relevant employees to:

- (a) assist with their understanding of the Company's and their own legal obligations relating to disclosure of price sensitive information, materiality and confidentiality;
- (b) raise awareness of the internal processes and controls; and
- (c) promote compliance with this policy and the Guidelines.

Significant amendments made to this policy or the Guidelines will be communicated to officers and relevant employees by the CLO.

3.4 General procedure for all employees

Any employee who becomes aware of information that should be considered for disclosure to the market (whether now or at some future time) or that they suspect should be disclosed must immediately notify the CLO and provide the following information (to the extent known):

- (a) a general description of the matter;
- (b) details of the parties involved;
- (c) the relevant dates;
- (d) the status of the matter;
- (e) the estimated value of the matter;
- (f) the estimated effect of the matter; and
- (g) the names of any in-house or external advisors involved.

Further guidance on this is provided in the Guidelines.

4 Disclosure matters generally

4.1 Authorisation of market announcements

Any release to the market must be authorised in accordance with the following provisions:

- (a) subject to paragraphs (b) and (c) below, any proposed release which:
 - (i) includes any new market earnings guidance or market update;

- (ii) relates to any takeover, merger, de-merger, restructure, scheme of arrangement or other transaction involving a transfer of control of the Company or any significant change in the nature or scale of the Company's activities;
 - (iii) relates to any equity capital raising by the Company; or
 - (iv) relates to any other matter that is strategically important to the Company,
- must be authorised by the Board;
- (b) if in the circumstances it is impractical to obtain the authorisation of the full Board, an announcement falling within paragraph 4.1(a) may be authorised by all Directors that are available to approve at the time, provided that this must be no less than 5 Directors;
 - (c) the Board may delegate the authorisation of any particular release or any category of releases falling within paragraph (a) to the CEO or, in the case of releases of a purely administrative nature, to the CLO or any other Company Secretary;
 - (d) any other proposed release may be authorised by the CEO or the Chairman; and
 - (e) any release of a purely administrative nature may be authorised by the CLO or any other Company Secretary. Examples of releases of a purely administrative nature include notices relating to change in directors' interests in the Company's securities, applications for quotation of the Company's securities, and administrative announcements relating to share buy-backs or other corporate actions already approved by the Board.

4.2 Inform ASX first

The Company will not release any information publicly that is required to be disclosed through ASX until the Company has received formal confirmation of its release to the market by ASX.

Information must not be given to the media before it is given to ASX, even on an embargo basis.

4.3 Speculation and rumours

Generally, the Company will not respond to market speculation or rumours unless a response is required by law or ASX.

On media speculation, the Group has a strict "no comment" policy which must be observed by all Group employees. The Company may only make a statement about or respond to speculation or rumour where the Company considers that it is obliged or required to do so. The CEO will decide if a response is required.

4.4 False market

A false market exists in the Company's securities where there is false or misleading information in the market concerning the Company (for example, a false rumour) or where a part of the market is trading on the basis of market sensitive information concerning the Company that is not available to the market as a whole (for example, where there has been a leak of market sensitive information).

If ASX considers that there is, or is likely to be, a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give ASX the information needed to correct or prevent the false market. For

the avoidance of doubt, any information required to be given to ASX for release to the market in these circumstances must be authorised in accordance with paragraph 4.1.

4.5 Trading halts

If necessary, the Company may request a trading halt from ASX to ensure orderly trading in the Company's securities and to manage disclosure issues. Only the CEO or the CLO may request a trading halt from ASX. Any request for a trading halt must be authorised in advance by the Chairman, or if the Chairman is not able to be contacted in the required time-frame, by the Chairman of the Human Resources and Remuneration Committee.

4.6 Consequences of Breach

Failure to comply with this policy may lead to a breach of the Corporations Act or ASX Listing Rules and to criminal and/or civil penalties for the Company and its directors and officers. Breaches of this policy will be regarded by the Company as serious misconduct and may lead to disciplinary action or termination of employment.

5 Market communication

5.1 Communication of information

The Company will post on its website relevant announcements made to the market and related information after they have been released to ASX following receipt of confirmation from ASX.

Material price sensitive information will be posted as soon as reasonably practicable after its release to ASX.

Information may also be provided from time to time to the media on behalf of the Company but not before disclosure to ASX, even on an embargo basis.

5.2 Analysts and institutional investors

The Company may conduct briefings for analysts and institutional investors from time to time to discuss matters concerning the Company. Only the CEO and CFO or approved representatives of the Company are authorised to speak with analysts and institutional investors.

Before each reporting period, the CEO and CFO will formulate guidelines for briefings for that period. The Company's policy at these briefings is that:

- (a) the Company will not disclose price sensitive information at any meeting with an investor or analyst without formally disclosing it to the market beforehand;
- (b) the Company will not comment on price sensitive issues not already disclosed to the market; and
- (c) any questions raised in relation to price sensitive issues not already disclosed to the market will not be answered or will be taken on notice.

If a question is taken on notice and the answer would involve the release of price sensitive information, the information must be released through ASX before responding.

At or after briefings, the CEO and CFO must consider the matters discussed at the briefings to ascertain whether any price sensitive information was inadvertently disclosed. If so, paragraph 5.4 applies.

5.3 Analyst reports

If requested, the Company may review analyst reports. The Company's policy is that it will only review these reports to clarify historical information and correct factual inaccuracies if this can be achieved using information that has been disclosed to the market generally.

No comment or feedback will be provided on financial forecasts, including profit forecasts prepared by the analyst, or on conclusions or recommendations set out in the report. The Company will communicate this policy whenever asked to review an analyst report.

5.4 Inadvertent disclosure or mistaken non-disclosure

If price sensitive information is inadvertently disclosed or a director or employee becomes aware of information which should be disclosed, the Board (through the Chairman) must immediately be informed so that appropriate action can be taken including, if required, announcing the information through ASX and then posting it on the Company's website. For the avoidance of doubt, any information required to be given to ASX for release to the market in these circumstances must be authorised in accordance with paragraph 4.1.

5.5 Media relations and public statements

Spokespersons are to be kept to a minimum to avoid inconsistent communication and reduce the risk of selective disclosures.

Media relations and communications are the responsibility of the Chairman and the CEO. On major matters, the CEO is generally the spokesperson, and on financial matters, the CFO or the CEO may generally speak.

Other officers or senior employees may be authorised by the Board or the CEO to speak to the media on particular issues or matters.

Any inquiry that refers to market share, financials or any matter which the recipient considers may be price sensitive must be referred to the CLO.

No information is to be given to the media on matters which are of general public interest or which may be price sensitive without the approval of the CEO.

The guidelines outlined above are subject to any directions given by the Board, either generally or in a particular instance.

6 Shareholder communication

6.1 Reports to shareholders

The Company produces half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, the ASX Listing Rules and applicable accounting standards. It seeks to give balanced and understandable information about the Company and its proposals in its reports to shareholders.

6.2 The Company's website

The Company's website contains information about the Company including shareholder communications, announcements made to the market and related information. Investor information will be posted in a separate section on the website from other material about the Company.

Relevant press releases, Company financial announcements and financial data and the Company's charters and policies will also be available on the Company's website.

The website also provides information for shareholders to direct inquiries to the Company.

6.3 Use of electronic communication and other technology

Shareholders may elect to receive information electronically as it is posted on the Company's website. The website provides information about how to make this election. Shareholders may also communicate electronically with the Company and its Registry as provided for on the website. The Company will communicate by post with shareholders who have not elected to receive information electronically.

The Company may consider the use of other reliable technologies as they become widely available.

6.4 General meetings

General meetings are used to communicate with shareholders and allow an opportunity for informed shareholder participation. Shareholders are encouraged to attend or, if unable to attend, to vote on the motions proposed by appointing a proxy or using any other means included in the notice of meeting. The Company conducts its general meetings in accordance with the Company's constitution, the Corporations Act and the ASX Listing Rules.

6.5 Notices of meetings

The Company seeks to ensure that the form, content and delivery of notices of general meetings will comply with the Company's constitution, the Corporations Act and ASX Listing Rules. Notices of meeting and accompanying explanatory notes aim to clearly, concisely and accurately set out the nature of the business to be considered at the meeting. The Company will place notices of general meetings and accompanying explanatory material on the Company's website.

6.6 Auditor to attend AGM

The external auditor will attend the annual general meeting and be available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

6.7 Shareholder privacy

The Company recognises that privacy is important and will not disclose registered shareholder details unless required by law. Shareholder details will only be used in accordance with applicable privacy laws.

7 Review and publication of this policy

The Board may review this policy from time to time and resolve to amend it as required.

This policy is available on the Company's website and the key features are published in the annual report.

8 Contact

If you are in any doubt regarding any aspect of this policy you should contact the CLO.

Compliance with the law and the requirements set out in this policy is the responsibility of all directors, officers, employees and consultants of the Company. Any guidance provided in or under this policy or the Guidelines does not affect individual responsibility.