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Corporate Governance Policy – Continuous Disclosure



Saunders International Limited

ABN 14 050 287 431

(Company)

CORPORATE GOVERNANCE POLICY – CONTINUOUS DISCLOSURE

1. Introduction

Continuous Disclosure obligations require the Company to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities (**material information**) and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (for example, the Company's Annual Report).

Information must not be selectively disclosed (i.e. to analysts or the media) before it is announced to the ASX. See Clause 6 below for further detail.

2. Objectives

This document sets out the policy and procedures adopted by the Board of Saunders International Limited (**Company**) in order to comply with their continuous disclosure obligations under the Corporations Act 2001, particularly Sections 674 – 678, and the ASX Listing Rules, particularly Listing Rule 3.1 (ASX LR 3.1).

3. Continuous Disclosure – Legal Considerations

ASX LR 3.1 is regarded as central to the orderly conduct and integrity of the ASX market. It states "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 tell ASX that information."

"Aware" is defined ASX LR 19.12 - "An entity becomes aware of information if a director or executive officer has, or might reasonably have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity." An "executive officer" is a person involved in management of the Company.

Carve Outs

The disclosure obligation under ASX LR 3.1 does **not** apply to particular information while all of the following are satisfied:

- A reasonable person would not expect the information to be disclosed.
- The information is confidential and ASX has not formed the view that the information has ceased to be confidential.
- One or more of the following applies:-
 - It would be a breach of law to disclose the information.
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
 - The information concerns an incomplete proposal or negotiation.
 - The information is generated for internal management purposes.
 - The information is a trade secret.

Rumours, Market Speculation and Inadvertent disclosure

Subject to its obligations under its market disclosure requirements the Company will not generally comment on market rumour or market speculation. However if a comment becomes reasonably specific or the market moves in a way that appears to be referable to the rumour or speculation, the Company will consider responding by making an announcement to the ASX and posting it on its website.

If confidential information about the Company is inadvertently made public, the Company will consider whether it is appropriate to call a trading halt to enable an appropriate announcement to be prepared.

Under ASX LR 3.1B, the ASX may require disclosure if the ASX considers that there is or is likely to be a false market in the Company's securities.

4. Policy

The Board of the Company has resolved that the Company and its employees will comply in all respects with the requirements of the Corporations Act 2001 and the ASX Listing Rules in relation to their requirements as to Continuous Disclosure.

Accordingly, this policy applies to:

1. all directors of the Company;
2. all senior managers of the Company; and
3. other nominated staff and/or contracted parties or persons.

To that end, this document sets out the processes for:-

- senior managers identifying potentially material information;
- reporting such information to the Managing Director for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules.

5. Managing Director

a) Standing Obligations of Directors and Senior Managers

As soon as a Director or Senior Manager becomes aware of information that:

- is not generally available (i.e. the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
- which may be price sensitive (i.e. it is likely to have a financial or reputational impact upon the Company that may be considered material), the Director or Senior Manager must provide to the Managing Director the following information:
 - a general description of the matter;
 - details of the parties involved;
 - the relevant date of the event or transaction;
 - the status of the matter (for example, final/negotiations still in progress/preliminary negotiations only);
 - the estimated value of the transaction;
 - the estimated effect on the Company's finances or operations; and
 - the names of any in-house or external advisers, consultants or contractors involved in the matter.

b) Further Obligations of Senior Managers and Managing Director

The following procedures will apply at all times to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:

- a) each Senior Manager must immediately notify the Managing Director as soon as they become aware of potential market information that should be considered for release to the market. It is not necessary for the relevant Senior Manager to consider whether an exemption to the requirement to disclose may apply.
- b) the Managing Director will:
 1. review the possibly material information reported by the Senior Manager;
 2. consult with the Board where appropriate, to determine whether the information reported is possibly material and is required to be disclosed to the ASX; and
 3. if such information is required to be disclosed, coordinate the actual form of disclosure with the Board prior to releasing to the ASX.

6. Presentations and Briefings to Analyst, Institutions, Shareholders and Media

Presentations and briefings to analyst, institutions, shareholders and media are also subject to the Continuous Disclosure Policy.

The Managing Director is the only authorised person to present such presentations and briefings. Material information must not be selectively disclosed (i.e. to analysts or the media) prior to being announced to the ASX.

All enquiries from analyst, institutions, shareholders and media must be referred to the Managing Director.

Presentations and briefings are not authorized (without Board approval) outside one month after the release of half year or full year reports and the release of any other market sensitive announcement (where that presentation or briefing is limited to the scope of such announcement).

7. The Role of the Managing Director

The Company has nominated the Managing Director as the person with primary responsibility for all communication with the ASX.

The Managing Director is specifically responsible for:-

- liaising with the ASX in relation to continuous disclosure issues;
- ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
- liaising with the Board of Directors, in relation to the disclosure of information and the form thereof;
- keeping a record of all ASX and other releases that have been made;
- ensuring all Senior Manager and Consultants understand the Company's Continuous Disclosure obligations and act in such a way to ensure that the Company does not breach those obligations; and
- periodically reviewing the Company's disclosure procedures in light of changes to the ASX Listing Rules or Corporations Act 2001 and recommending any necessary changes to the procedures to the Board.

The Chairman is to assume the responsibility and role of the Managing Director with respect to this policy in the event the Managing Director is unavailable at the relevant time.