

# Continuous Disclosure Policy

## 1.1. Introduction

The objective of the continuous disclosure policy is to ensure that the Company complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules. Additionally, this policy aims to:

- (a) ensure that information issued by the Company is issued to Security Holders and the market in a timely manner;
- (b) to promote investor confidence in the integrity of the Company and its securities; and
- (c) to generally promote investor protection and protection of the market.

## 1.2. Continuous Disclosure

An ASX listed company is subject to the continuous disclosure requirements under the Corporations Act and the Listing Rules, in addition to the periodic and specific disclosure requirements in the Listing Rules.

The continuous disclosure obligation is contained in Listing Rule 3.1 and states that, once the Company 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 Company's securities, the Company must immediately tell the ASX that information.

Contravention of continuous disclosure obligations can extend to a person (director, officer or executive) who is involved in a contravention of the continuous disclosure regime by a disclosing entity.

## 1.3. Disclosure exception

The continuous disclosure obligation is not applicable where:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential;
- (c) one or more of the following 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 matter of supposition or is insufficiently definite to warrant disclosure;
- (iv) the information is generated for internal management purposes of the Company;
- (v) the information is a trade secret.

To rely on the exception, the above 3 requirements must be satisfied. Should one of the exceptions no longer be applicable then the Company can no longer rely on these exceptions and must disclose the information immediately to the market.

#### **1.4. Compliance**

The Company will ensure compliance with this Policy and will disclose:

- (a) market sensitive information to the ASX as soon as it becomes aware of that information;
- (b) ensure that the information is not false, misleading or deceptive so as to avoid creating what would constitute a false market; and
- (c) ensure that the information is disclosed clearly (expressed objectively), accurately and is complete.

In doing so the Company will ensure compliance with Listing Rule 15.7 that requires an entity not to release information to anyone until it has given the information to the ASX and has received an acknowledgement from the ASX that the information has been released to the market.

#### **1.5. Market Sensitive Information**

The Company will ensure that all market sensitive information is released to the market in accordance with the Listing Rules and in accordance with the Announcements Procedure in Section 1.9 of this Policy.

Market sensitive information is information that:

- (a) a reasonable person would expect will have “a material effect on the value or price” of securities; and
- (b) if the information were publicly available “would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of” those securities”.

Market sensitive information includes information relating to a takeover bid or a merger, proposed acquisition or disposal of a material asset, material variations in earnings or profits from previously published forecasts, a material change to the business plan, loss of a material contract and major litigation.

#### **1.6. Loss of Confidentiality**

Where confidentiality is lost as a result of a specific rumour or media comment then the Company will respond to media speculations to the extent that such responses are required to correct or prevent a false market. In determining whether confidentiality is lost the Company will look at previous announcements it had made and will consider any likely reaction of the market or particular investors to such speculation.

#### **1.7. Administering Corporate Governance Compliance**

This policy will be administered by the Board of the Company and key personnel as follows:

- (a) the Board will be involved in reviewing significant ASX announcements and ensuring and monitoring compliance with this policy;
- (b) the Company Secretary will be responsible for the overall administration of this policy and all communications with the ASX;
- (c) other employees will report any material market sensitive information to the Company Secretary and they will observe the Company's no comments policy as set out below.

#### **1.8. Company Secretary**

The Company Secretary is responsible for the overall administration of this policy particularly:

- (a) ensuring that the Company is compliant with its disclosure obligations;
- (b) all communications with the ASX;
- (c) reviewing proposed announcements and consulting with the Board and other advisors as necessary;
- (d) implementing reporting processes for materiality of information;
- (e) reporting on continuous disclosure issues regularly to the Board;
- (f) keeping a record of ASX announcements;
- (g) monitoring and reporting to the Board on the effectiveness of this policy in light of the ASX Recommendations; and
- (h) regularly reviewing this policy in light of legislative changes or other developments.

#### **1.9. Announcements Procedure**

The Company's announcements to the ASX will be managed in accordance with the following procedure:

- (a) as soon as an employee becomes aware of any market sensitive information the Board of the Company or the Company Secretary is to be notified;
- (b) the Company Secretary will review and assess that information and determine whether it needs to be disclosed or whether it needs to be further discussed with the Board;
- (c) if an announcement of market sensitive information is required the Company Secretary will prepare a draft announcement;
- (d) the Company Secretary will provide the draft announcement to Management and the Board for approval;
- (e) following the approval of an announcement of market sensitive information by the Board, the Company Secretary will then lodge the announcement with the ASX electronically;
- (f) after receiving acknowledgement from the ASX that the announcement has been released Management will ensure the announcement is accessible from the Company's website. This will be done within 24 hours of receiving that acknowledgement.
- (g) Market announcements must be accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

#### **1.10. No Comments Policy**

The Company has adopted a "no comments" policy in relation to any market speculation or rumours and this policy must be observed by all Officers, Executives and employees at all times. In light of this, the Company may issue an announcement in response to a market speculation or rumour where

it is necessary to do so to eliminate the possibility of a false market or contravention of the Listing Rules .

Where an Officer, Executive or employee is approached by the media or any analysts or other external parties with respect to providing any information about the Company the general policy to be observed is a “no comments” policy and that employee will notify the Company Secretary as soon as possible.

As part of the Company’s management of investor relations it may conduct briefings with analysts or investors from time to time. However, the Company’s policy for conducting these briefings will be to ensure that no material market sensitive information is announced prior to it being announced to the market. No briefing will be held during the pre-results periods. In addition, a procedure will be in place for the conduct of the briefings which will include that at any briefing 2 Company employees must be present, notes of the briefing must be kept by an employee attending and any information to be used at briefings must be signed off by at least two Directors prior to the briefing.

Where in the course of a briefing a question is raised that refers to market sensitive information that has not been previously disclosed the Officer, Executive or employee must decline to answer the question but take the question on notice and advise the Board and the Company Secretary of the question.

See the Securities and Insider Trading Policy for further details.

#### **1.11. Responding to Analyst Reports and Forecasts**

If a draft report has been sent to the Company for comments the report should be forwarded directly to the Company Secretary. The Company will not endorse any reports, and will restrict any comments to factual matters and matters which have been previously disclosed to the ASX. See the Securities and Insider Trading Policy for further details.

#### **1.12. Trading Halts**

The Company in certain circumstances may need to request a trading halt from the ASX. The Chairman in consultation with the Board will make decisions in relation to trading halts and the only personnel authorised to request a trading halt on behalf of the Company will be the Chairman and the Company Secretary.

#### **1.13. Advisors**

To ensure compliance with its listing obligations, the Company may from time to time require advisors to advise on its adherence to this policy. The Company may ask such advisors to sign a confidentiality agreement before disclosing any information to them.

#### **1.14. Contravention of Policy**

Non-compliance with the continuous disclosure obligations may constitute a breach of the Corporations Act and the Listing Rules. This may result in fines for the Company, personal liabilities for Directors and other officers and damage to the Company’s reputation. The Company takes continuous disclosure very seriously and will not tolerate any deviation from this policy by any employee and will take disciplinary action against any employee where a contravention arises. Disciplinary action may include dismissal.

#### **1.15. Security Holder Communications**

The Board aims to keep Security Holders informed of all major developments affecting the Company’s activities and its state of affairs through announcements to the ASX, releases to the media and dispatch of financial reports. All such announcements are also placed on the Company’s website at [www.naos.com.au](http://www.naos.com.au).

These include:

- (a) monthly net tangible asset backing announcements;
- (b) the half year report;

- (c) the full year report;
- (d) the annual report;
- (e) the notice of annual general meeting, explanatory memorandum and the Chairman's address;
- (f) occasional ASX announcements made to comply with the Company's continuous disclosure requirements; and
- (g) occasional correspondence sent to Security Holders on matters of significance to the Company.

The Board encourages full participation of Shareholders at the Annual General Meeting or any general meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

#### **1.16. Ethical Standards/Business Conduct**

The Company actively promotes a set of values designed to assist all personnel in their dealings with each other, competitors, customers and the community. The Company has adopted a Code of Conduct policy which is set out in this Charter.

#### **1.17. Further information**

This Policy will be reviewed annually by the Board to check it is operating effectively and whether any changes are required to the Policy.