

**KABUNI LTD.**

**Corporate Governance Policies**

**Continuous Disclosure Policy**

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## 1. Continuous Disclosure Policy

This policy outlines the disclosure obligations of Kabuni Ltd. (the “**Company**”) as required under the *Corporations Act 2001* (Cth) (**Corporations Act**), the Australian Stock Exchange (the “**ASX**”) Listing Rules and applicable Canadian securities laws. The policy is designed to ensure that procedures are in place so that the securities exchange in which the Company's securities are listed is properly informed of matters which may have a material impact on the price at which the securities are traded.

The Company is committed to:

- (a) complying with the general and continuous disclosure principles contained in the Corporations Act and the ASX Listing Rules;
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;
- (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities;
- (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

This policy applies to all directors, officers, spokespersons and employees of the Company and its subsidiaries and covers all methods used by the Company to communicate to its shareholders, the media and members of the investment community.

This policy is intended to complement, and should be read together with, the Company's Securities Trading Policy.

### 1.1 Disclosure officer

The Managing Director (or while the Company does not have a Managing Director, the Chairman) and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with any applicable stock exchanges, including the ASX, and for making decisions on what should be disclosed publicly under this policy.

In the absence of the Managing Director (where one has been appointed) and Company Secretary, any matters regarding disclosure issues are to be referred to the Chairman.

### 1.2 Material information

In accordance with the ASX Listing Rules and all other applicable laws, the Company must immediately notify the market of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

News releases containing material information will be disseminated through a news wire service that provides simultaneous national and simultaneous service to widespread

news services, financial media, stock exchanges upon which the Company's shares are listed and to relevant regulatory bodies.

Following consultation with the Company's Company Secretary or Chief Legal Officer, material change reports will be prepared and filed when required in accordance with applicable securities laws and news releases containing material information will be filed on SEDAR.

The only exceptions will occur in restricted circumstances where applicable securities laws and stock exchange policies permit the maintenance of confidentiality and regulatory filings on a confidential basis. Information need not be disclosed if:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
  - (A) it would breach the law to disclose the information,
  - (B) the information concerns an incomplete proposal or negotiation,
  - (C) the information comprises matters of supposition or is insufficiently definite to warrant disclosure,
  - (D) the information is generated for internal management purposes, or
  - (E) the information is a trade secret.

If an employee possesses inside information, the person must not:

- (a) trade in the Company's securities;
- (b) advise others or procure others to trade in the Company's securities; or
- (c) pass on the inside information to others, including colleagues, family or friends, knowing (or where the employee or Director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, the Company's securities.

This prohibition applies regardless of how the employee or Director learns the information (e.g. even if the employee or Director overhears it or is told in a social setting). For further information please refer to the Company's Securities Trading Policy.

The Company is also required to disclose information if asked to do so by the ASX or relevant securities regulatory authorities, to correct or prevent a false market.

Note that the Company is deemed to have become aware of information where a director or executive officer has, or ought to have, come into possession of the information in the course of the performance of his duties as a director or executive officer.

The Corporations Act defines a material effect on price or value as being where a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities

Canadian securities laws provide that material information includes material facts and material changes (as such terms are defined under applicable securities laws) and is any information relating to the business and affairs of the Company that results or would reasonably be expected to result in a significant change in the market price or value of the Company's securities.

### **1.3 Breach of continuous disclosure policy**

Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

### **1.4 Review of communications for disclosure**

The disclosure officers will review all communications to the market to ensure that they are full and accurate and comply with the Company's obligations. Such communications may include:

- (a) media releases,
- (b) analyst, investor or other presentations,
- (c) prospectuses,
- (d) other corporate publications,
- (e) written statements made in annual and quarterly reports.
- (f) communications to shareholders.
- (g) documents filed with the securities regulatory authorities.
- (h) speeches made by senior management.
- (i) oral statements made in the course of meetings or calls with securities markets professionals, shareholders, media or other external audiences.
- (j) websites and social media communications (including through corporate blogs, chat boards, Twitter, Facebook, LinkedIn, YouTube and other non-traditional means of communication).

Examples of information or events that are likely to require disclosure include:

- (a) financial performance and material changes in financial performance or projected financial performance:
  - (i) a significant increase or decrease in near-term earnings prospects;
  - (ii) unexpected changes in the financial results for any periods;
  - (iii) shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs;
  - (iv) changes in the value or composition of the Company's assets;

- (v) any material change in the Company's accounting policy;
- (b) Changes in business and operations:
  - (i) changes in relation to directors and senior executives, including changes in the independence of directors;
  - (ii) any development that materially affects the Company's resources, technology, products or markets;
  - (iii) a significant change in capital investment plans or corporate objectives;
  - (iv) major labour disputes or significant disputes with major contractors or suppliers;
  - (v) significant new contracts, products, patents, or services or significant losses of contracts or business;
  - (vi) the commencement of, or developments in, material legal proceedings or regulatory matters;
  - (vii) waivers of corporate ethics and conduct rules for officers, directors and other key employees;
  - (viii) any notice that reliance on a prior audit is no longer permissible;
  - (ix) de-listing of the Company's securities or their movement from one quotation system or exchange to another;
- (c) material information affecting joint venture;partners, customers or non-wholly owned subsidiary companies;
- (d) Acquisitions and dispositions:
  - (i) mergers, acquisitions, divestments, joint ventures or material changes in assets;
  - (ii) significant developments in new projects or ventures;
  - (iii) changes in share ownership that may affect control of the Company;
  - (iv) major reorganizations, amalgamations or mergers;
  - (v) take-over bids, issuer bids or insider bids;
- (e) Changes in Capital Structure:
  - (i) material changes to the Company's security position;
  - (ii) the public or private sale of additional securities;
  - (iii) planned repurchases or redemptions of securities;
  - (iv) any share consolidation, share split, share exchange or stock dividend;
  - (v) changes in the Company's dividend payments or policies;
  - (vi) the possible initiation of a proxy fight;
  - (vii) material modifications to rights of security holders;
- (f) Changes in Credit Arrangements:
  - (i) the borrowing or lending of a significant amount of money;

- (ii) any mortgaging or encumbering of the Company's assets;
- (iii) defaults under debt obligations, agreements to restructure debt or planned enforcement procedures by a bank or any other creditors;
- (iv) changes in rating agency decisions;
- (v) significant new credit arrangements;
- (g) Other:
  - (h) media or market speculation;
  - (i) analyst or media reports based on inaccurate or out of date information;
  - (j) industry issues which have, or which may have, a material impact on the Company; and
  - (k) decisions on significant issues affecting the Company by regulatory authorities.

The above list is not exhaustive. In assessing the materiality of information, the Company will consider the nature of the information itself, the potential impact on the market price of the Company's securities and prevailing market conditions. These factors will be reviewed and considered with other applicable factors on a case-by-case basis.

Employees must ensure that they bring to the attention of the disclosure officers any information which could have a material effect on the price or value of the Company's securities. Where there is any doubt as to whether an issue might materially affect the price or value of the Company's securities, the disclosure officers will assess the circumstances with appropriate senior executives and if necessary, seek external professional advice.

All presentations to analysts and investors will be released to the ASX and then be included on the Company's website.

## **1.5 Authorised spokespersons**

The Company's authorised spokespersons are the Chairman, Managing Director, and Company Secretary. In appropriate circumstances, the Managing Director (or while the Company does not have a Managing Director, the Chairman) may from time to time authorise other spokespersons on particular issues and those within their area of expertise.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries are to be referred to the official spokespersons.

No employees or consultants are permitted to comment publicly on matters confidential to the Company. Any information which is not public must be treated by employees and consultants as confidential until publicly released.

## **1.6 Reporting of disclosable information**

Once the requirement to disclose information has been determined, the disclosure officers are the only persons authorised to release that information.

Information to be disclosed must be lodged immediately with the ASX. Any such information must not be released to the general public until the Company has received formal confirmation of lodgement by the ASX.

All information disclosed to the ASX in compliance with this policy must be promptly placed on the Company's website and filed under its profile on SEDAR.

## **1.7 Market speculation and rumours**

As a guiding principle, the Company has a "no comment" policy on market speculation and rumours, which must be observed by all employees. However, the Company will comply with any request by the ASX or relevant securities regulatory authorities to comment upon a market report or rumour.

## **1.8 Trading halts**

The Company may, in exceptional circumstances, request a trading halt to maintain orderly trading in the Company's securities and to manage any disclosure issues.

No employee of the Company is authorised to seek a trading halt except for the disclosure officers.

## **1.9 Meetings and group briefings with investors and analysts**

The Managing Director (or while the Company does not have a Managing Director, the Chairman) is primarily responsible for the Company's relationship with major shareholders, institutional investors and analysts and shall be the primary contact for those parties.

At the beginning of the conference call, a Company spokesperson will notify all participants on the call that there may be discussion of forward-looking information on the call. The spokesperson will then provide appropriate cautionary language with respect to any such forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties that could affect such forward-looking statements.

The Company will provide advance notice of the conference call by issuing a news release, and posting on the Company's website, announcing the date and time and providing information allowing interested parties to access the call

Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are to be lodged with ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material will be posted to the Company's website. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.

The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market. The Company considers that one-on-one discussions and meetings with investors and stockbroking analysts are an important part of pro-active investor relations. However, the Company will only discuss previously disclosed information in such meetings.

#### **1.10 Periods prior to release of financial results**

During the time between the first date that is the end of the financial year or half year or quarter end and the date of the actual results news release, the Company will not discuss financial performance, broker estimates and forecasts and particularly, any pre-result analysis with stockbroking analysts, investors or the media, unless the information to be discussed has already been disclosed to the ASX.

#### **1.11 Web-based communication**

The Company's website features discrete sections for shareholders and investors to ensure that such information can be accessed by interested parties. Such information will include

- (a) annual reports and results announcements,
- (b) all other company announcements,
- (c) speeches and support material given at investor conferences or presentations, and
- (d) company profile and company contact details

Announcements lodged with the ASX will be placed on the Company's website as soon as practicable after ASX confirms receipt of that information and widely disseminated via press release and filed under the Company's profile on SEDAR.

Shareholders may be offered the option of receiving information via e-mail instead of post.

Use of social networks (including corporate blogs, employee blogs, chat boards, Facebook, LinkedIn, Twitter, YouTube and any other non-traditional means of communication) to disclose material, non-public information is considered selective disclosure and would violate this Disclosure Policy.

In order to ensure that no material undisclosed information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms, bulletin boards or newsgroup discussions on matters pertaining to the Company's activities or its securities. Employees who encounter a discussion pertaining to the Company should advise the Chief Legal Officer as soon as possible.

#### **1.12 Analysts reports and forecasts**

Stockbroking analysts frequently prepare reports on listed companies that typically detail their opinion on strategies, performance and financial forecasts. To avoid inadvertent disclosure of information that may affect the Company's value or share price. The Company's comments on analyst reports will be restricted to:



- (a) information the Company has issued publicly and
- (b) other information that is in the public domain.

Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to information publicly issued by other parties and Company statements.

### **1.13 Other**

This policy is reviewed annually. The Company will maintain a disclosure record consisting of a six-year file containing all public information about the Company, including continuous disclosure documents and press releases and transcripts or tape recordings of conference calls.

This policy applies to all directors, officers, spokespersons and employees of the Company and its subsidiaries. New directors and relevant officers and employees who, given their position, are required to have knowledge of this policy, will be provided with a copy and will be educated about its importance. At least annually, a reminder will be sent to all directors, officers and other relevant employees advising them of the policy.

This policy is intended to complement, and should be read together with, the Company's Securities Trading Policy which mandates requirements with respect to maintaining confidentiality of information in certain circumstances, prohibitions against trading on the basis of or tipping undisclosed material information and restrictions on periods during which insiders may effect trades in the Company's securities in the absence of such information.