

# Metgasco Ltd

ACN 088 196 383

## Continuous Disclosure Policy

### Overview

#### Compliance with the Corporations Act and the ASX Listing Rules

- 1.1 Metgasco Ltd (Metgasco or the **Company**) is listed on the Australian Securities Exchange (**ASX**) and must comply with the continuous disclosure obligations contained in the *Corporations Act 2001* (Cth) (**Act**) and the ASX Listing Rules (**Listing Rules**). An overview of the applicable sections of the Act and Listing Rules is set out in **Appendix 1** to this Policy

#### Continuous Disclosure of Material Information

- 1.2 One of the most significant obligations imposed by the Act and the Listing Rules is the continuous disclosure to the market via the ASX of Material Information. This is a mandatory obligation.
- 1.3 In this Policy, **Material Information** is information that may affect the price or value of the Company's shares or influence decisions taken by investors to buy or sell the Company's shares and must be disclosed publicly via the ASX "promptly and without delay".

#### Purpose

- 1.4 The purpose of this Policy is to:
- ensure that all of the Company's Directors and employees, contractors and consultants (**Employees**) are aware of the continuous disclosure obligations of the Company to satisfy the requirements of the ASX;
  - set out the procedures that apply to the central collection, control, assessment and if required, release to the ASX, of Material Information; and
  - reflects the Company's commitment to meeting our shareholders' and other stakeholders' expectations for equal, timely, fair and transparent disclosure to ensure that the market is fully informed at all times.

### Policy

#### Disclosure Officer and Disclosure Committee

- 2.1 For the purposes of the compliance with the Company's continuous disclosure obligations under the Act and Listing Rules, Metgasco's Chairperson and Company Secretary have been designated as the Company's disclosure officers (**Disclosure Officers**).
- 2.2 The Disclosure Officers are primarily responsible for:
- making decisions on what should be disclosed publicly under this Policy; and
  - ensuring that this Policy is implemented and enforced and that all required Material Information is disclosed to the ASX as required by the Act and the Listing Rules.
- 2.3 In addition, the Disclosure Officers are responsible for:
- monitoring the Company's disclosure practices and making recommendations to the Board on updating this Policy as required;
  - assisting Employees to understand what information may require disclosure to the market on the basis that it is market sensitive; and
  - administering this Policy.
- 2.4 The Company Secretary has been designated as the person responsible for communication with the ASX in relation to Listing Rule matters under Listing Rule 12.6.

## **Responsibilities of Directors, Executives & Employees**

- 2.6 Listing Rule 3.1 applies to information that a Director or Executive Officer has in his or her possession, or ought reasonably to have in their possession. This means that Directors and Executive Officers must ensure they are up to date on all matters within their responsibility, so that the Company has sufficient information to manage its continuous disclosure obligations.
- 2.7 If an Employee becomes aware of a matter that may require disclosure, or is unsure whether information may be Material Information, they should immediately consult with the Disclosure Officers.
- 2.8 Employees must ensure that the confidentiality of any information concerning the Company is maintained. If information loses confidentiality, the Disclosure Officers will then need to consider whether the information must be disclosed to the ASX.

## **Compliance with Policy**

- 2.9 The Board may require the Company's external auditors to audit and report on compliance with this Policy.

## **Types of Information that May Require Disclosure**

### **Types of Information**

- 3.1 For assistance in determining if information is Material Information, Employees are to refer to the Disclosure Officers to determine if various types of information may be material and therefore may be required to be disclosed.
- 3.2 As a guide, the following types of information may be Material Information and therefore may be required to be disclosed:
  - a) the financial results of the Company;
  - b) projections of future earnings or losses;
  - c) material changes in the Company's financial forecasts;
  - d) a decision to pay, or a decision not to pay, a dividend;
  - e) the approval of a share, option or debt issue and the under or over subscription of that issue;
  - f) acquisitions, mergers, sales, joint ventures or takeovers;
  - g) information about the Company's business direction, investments or asset purchases or sales;
  - h) regulatory decisions or incidents that may affect the Company's ability to carry on normal operations;
  - i) the threat, commencement or settlement of any material litigation or claim;
  - j) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
  - k) the appointment of a liquidator, administrator or receiver;
  - l) an agreement between the Company (or a related party or subsidiary) and a Director (or related party of the Director);
  - m) any rating applied by a rating agency to the Company or its securities and any change to such a rating;
  - n) a material change in any accounting policy adopted by the Company;
  - o) a proposal to change the Company's external auditors;
  - p) changes in senior management; and
  - q) the health or capacity of any Director.
- 3.3 It should be noted that the above list is not an exhaustive one. There are many other matters which may give rise to Material Information. Where an Employee is in any doubt as to whether information is material, they must forward it to the Disclosure Officers.

## Market Speculation & Rumours

- 3.4 It is the Company's policy not to comment on speculation or rumours unless a response is required by the Act or the Listing Rules. It is also the Company's policy not to comment on or endorse financial forecasts published by third parties. In certain circumstances, the Company may decide to issue an ASX announcement correcting misinformation or if it believes that an announcement is in the best interests of the Company and its shareholders.

## Communications with Third Parties

- 3.5 The Company will communicate with the investment community, including retail and institutional investors, analysts and investment banks. These communications may only be undertaken by persons authorised to do so on behalf of the Company. Material Information will not be released or discussed with the investment community before it has been disclosed to the ASX.
- 3.6 Communications with the media and responses to media inquiries are also restricted to persons authorised for that purpose. All media inquiries should be directed to the Chairperson of the Board at first instance.
- 3.7 If a person connected with the Company receives a request for comment from a third party, that person must advise the third party that they are not authorised to speak on behalf of the Company and if appropriate, refer the inquiry to the Chairperson of the Board at first instance.
- 3.8 The Company's Directors and Employees are not permitted to discuss the Company on social media such as stock market forums. The Company will monitor identified relevant social media when a market sensitive announcement is pending.

## Pre-result Periods

- 3.9 To ensure compliance with its continuous disclosure obligations, in the period between the end of the Company's financial reporting periods and announcement of its financial results, the Company's Directors and Employees may not discuss financial information, broker estimates or forecasts with third parties, unless the information has previously been disclosed to the ASX.
- 3.10 During pre-result periods, the Company will not normally undertake one-on-one meetings between the Company's senior management and investment community representatives or the media.

## Trading Halts

- 3.11 In the interests of maintaining a fully informed, fair and transparent market, or where confidentiality of price sensitive information is lost and the Company is unable to make immediate disclosure, it may be necessary for the Company to request a trading halt from the ASX. The Disclosure Officers will make all decisions relating to a trading halt.

## Inadvertent Disclosure

- 3.12 If any price sensitive information is inadvertently disclosed by a Director or Employee of the Company to a party outside the Company, the Disclosure Officers must be immediately notified, in order that the information can be considered under The Company's continuous disclosure obligations.

## Overview of Procedures

- 3.13 For ease of reference, **Appendix 2** contains diagrams that summarise the procedures to be followed under this Policy.

## Review of this Policy

- 4.1 This Policy will be reviewed regularly by the Disclosure Officers, to ensure that it remains effective and consistent with all relevant legal pronouncements and best practice corporate governance principles and will make recommendations to the Board for updating of the Policy as required.
- 4.2 This policy was approved and adopted by the Board on 1 March 2019.

## Continuous Disclosure Obligations Overview of the Act and Listing Rules

### 1. The Law

#### 1.1 Compliance with the Law

(a) Section 674 of the *Corporations Act 2001* (Cth) (**Act**) requires that the Company comply with the provisions of the ASX Listing Rules (**Listing Rules**) relating to the continuous disclosure to the ASX of material information relating to the Company. The Act provides that if the Company has information that the continuous disclosure provisions of the Listing Rules require the Company to notify the ASX and that information is:

- (i) not generally available; and
- (ii) information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of [insert company name] shares,

the Company must immediately notify the ASX of that information in accordance with the Listing Rules.

#### 1.2 Material Effect of Information on the Company's Shares

(a) Section 677 of the Act states that:

*"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."*

#### 1.3 Breach - Offences, Infringement Notices and Liabilities

- (a) A breach of the continuous disclosure provisions of the Act is both a criminal and civil offence.
- (b) In addition, the Australian Securities and Investments Commission (**ASIC**) may issue an Infringement Notice for an alleged contravention of the continuous disclosure provisions under section 1317DAC of the Act.
- (c) A person who is involved in any contravention by the Company of its continuous disclosure obligations also commits a civil offence. However, a person will not be liable if the person can prove that they:
  - (i) took all steps (if any) that were reasonable in the circumstances to ensure that the Company complied with its continuous disclosure obligations; and
  - (ii) after doing so, believed on reasonable grounds that the Company was complying with its obligations.
- (d) A third party who incurs a loss as a result of a breach of the Company's continuous disclosure obligations may also commence action against the Company.

### 2. ASX Listing Rules

#### 2.1 ASX Policy

(a) The ASX's policy is that:

*"Timely disclosure must be made of information which may affect security values or influence investment decisions, and information in which security holders, investors and ASX have a legitimate interest."*

#### 2.2 Continuous Disclosure Obligation to Release Material Information

(a) Listing Rule 3.1 contains the core continuous disclosure obligation which applies to the Company and all other listed entities. The Listing Rule provides:

*"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."*

- (b) A reasonable person would 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 or not to subscribe for, or buy or sell, the securities.
- (c) **"Immediately"** means promptly and without delay after becoming aware of the information. It means disclosing material information as quickly as possible, within the circumstances, and not putting it off to a later time.

- (d) Information that may affect the price or value of the Company's shares or influence decisions taken by investors to buy or sell the Company's shares must be disclosed publicly via the ASX "promptly and without delay".

## 2.3 Possession of Material Information

- (a) Listing Rule 19.12 also provides:

*"An entity becomes aware of information, if a director or executive officer has, or ought reasonably to 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."*

- (b) An "**Executive Officer**" is any manager of the Company who is concerned with, or takes part in, the management of the Company.

## 2.4 Restricted Exemptions

- (a) Listing Rule 3.1A contains a restricted exemption for particular information while **each** of the following is satisfied in relation to the information:
- (i) **one or more** of the following conditions apply:
    - it would be a breach of the law to disclose the information; or
    - the information concerns an incomplete proposal or negotiation; or
    - the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - the information is generated for internal management purposes of the company; or
    - the information is a trade secret; **and**
  - (ii) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
  - (iii) a reasonable person would not expect the information to be disclosed.

### Confidentiality

- (a) When the Company is relying on an exception to Listing Rule 3.1, or is involved in a development that may eventually require reliance on an exception, appropriate confidentiality protocols must be adhered to. A leak of confidential information will immediately deny the Company the ability to withhold the information from the ASX and force the Company to make an announcement, regardless of where the leak comes from.
- (b) Information about a matter involving the Company may cease to be confidential if there is:
- (i) a reasonably specific and reasonably accurate media or analyst report about the matter; or
  - (ii) a reasonably specific and reasonably accurate rumour known to be circulating the market about the matter; or
  - (iii) a sudden and significant movement in the market price or traded volumes of the Company's securities that cannot be explained by other events or circumstances.

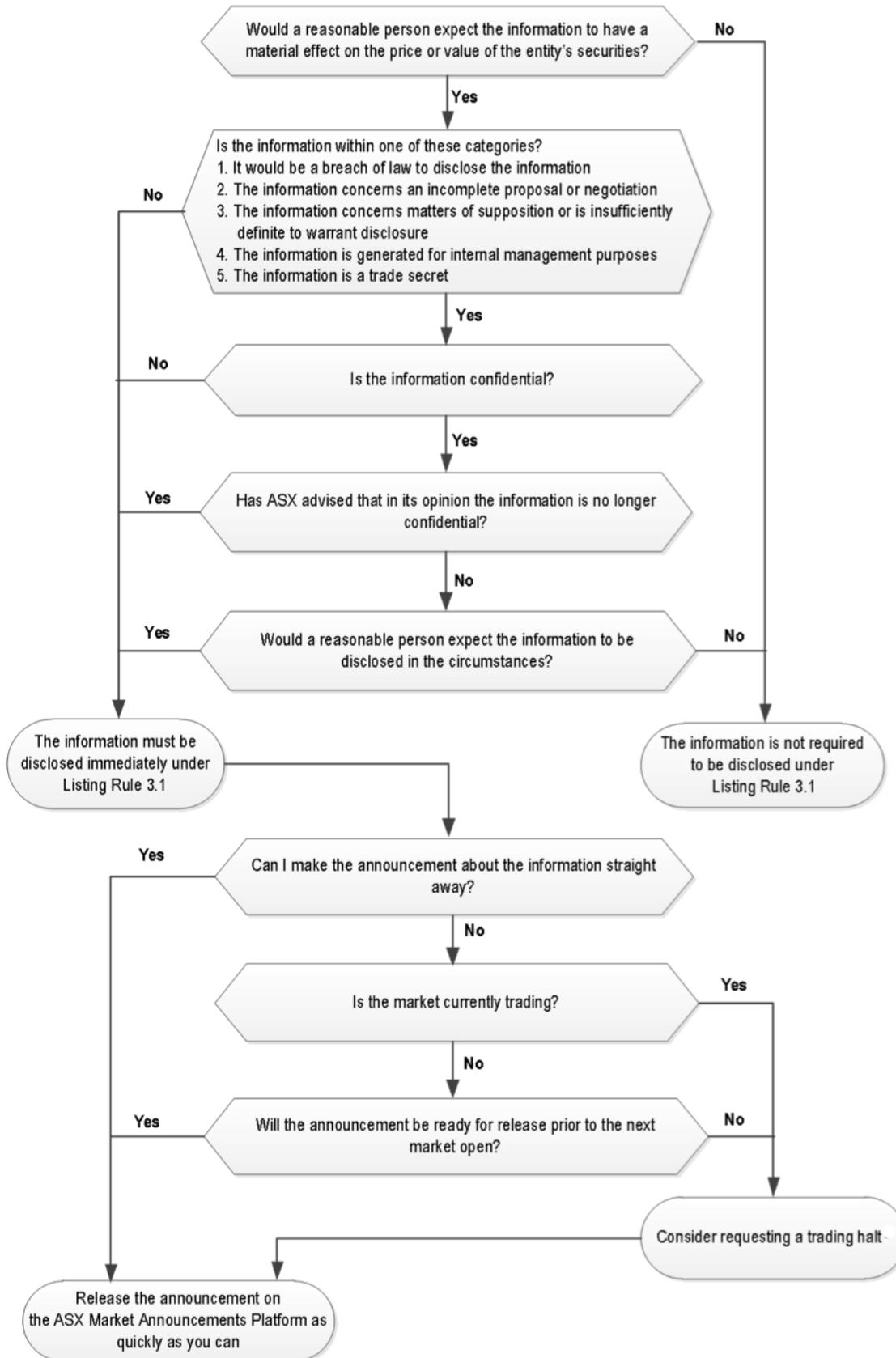
## 2.5 False Market

- (a) Listing Rule 3.1B provides that where:

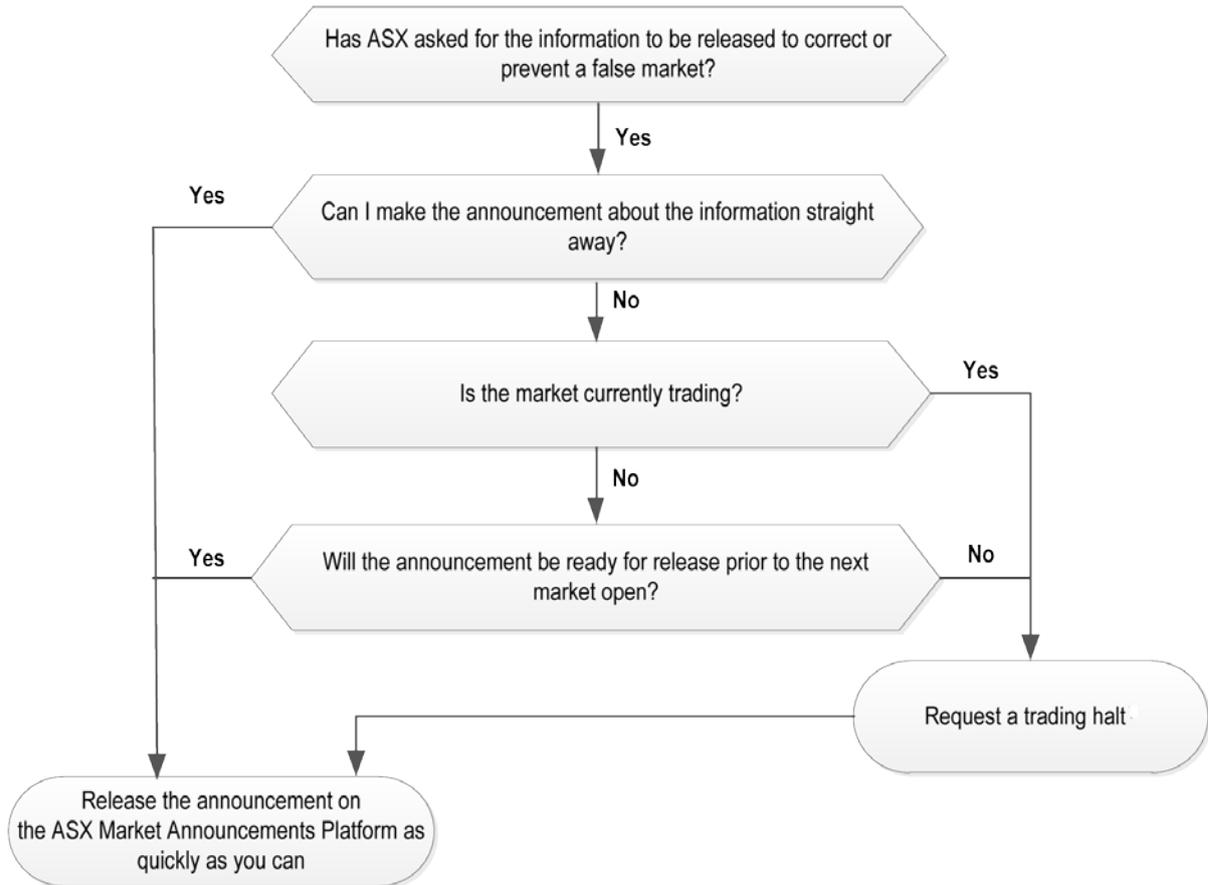
*"ASX considers that there is or is likely to be a false market in an entity's securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market."*

- (b) There is likely to be a **false market** in the Company's shares in a number of circumstances including:
- (i) where the Company has Material Information that has not been released to the market because it falls under the exemption in Listing Rule 3.1A; and
  - (ii) there is reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market (via the ASX); and
  - (iii) there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of the Company's shares.

Overview of the Continuous Disclosure Process



Source: ASX Listing Rules - Guidance Note 8 Continuous Disclosure



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