

Continuous Disclosure Policy

ASX Listing Rule 3.1

Hastings Funds Management Limited

ACN 058 693 388

as responsible entity for listed managed investment schemes

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1 Continuous Disclosure Policy

This paper documents the policy adopted by the Board of Hastings Funds Management Ltd as responsible entity for Hastings listed managed funds (the Funds) in order to comply with their continuous disclosure obligations under the Corporations Act and ASX Listing Rules.

It is noted that in certain circumstances where the insider trading provisions of the Corporations Act may apply to an action being contemplated by Hastings, a higher level of disclosure is required.

This Continuous Disclosure Policy does not address guidelines for directors and senior executives in buying and selling securities in the Funds which are set out in the Directors' and Staff Securities Trading Policy.

2 Executive Summary

- Hastings has obligations under the Corporations Act and ASX Listing Rule 3.1 to keep the market fully informed of information which may have a material effect on the price or value of the Funds securities and to correct any material mistake or misinformation in the market. Hastings discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (e.g., the Annual Report).
- Information must not be selectively disclosed (i.e., to analysts, the media or customers) before it is announced to the ASX.
- In addition to exposing Hastings to unwanted adverse publicity, a contravention of these obligations can have the following results:
 - (a) The Funds securities may be suspended from trading on the ASX;
 - (b) penalties may be levied on Hastings' directors and officers; and
 - (c) Hastings may have to compensate any investor who suffers loss or damage as a result of the contravention (i.e., losses caused by security price changes arising from failure to disclose in a timely manner).
 - The following procedures will apply to safeguard against inadvertent breaches of the Hastings continuous disclosure obligations:
 - (a) The Company Secretary will be appointed to co-ordinate monitoring continuous disclosure; and
 - (b) senior management of Hastings will:
 - (1) respond to a fortnightly email confirming that there are no matters that should be considered for continuous disclosure (or indicating those matters that should be considered) on the basis of information that the senior manager is aware and after having made appropriate enquiries of the employees that report to the relevant senior manager; and

- (2) **IMMEDIATELY** notify the Company Secretary if they become aware of any information that should be considered for release to the market (**material information**).

It will be the responsibility of the Company Secretary to review these responses, consider any material information and to determine what action (if any) is to be taken in relation to the material information and, where appropriate, liaise with the Chief Operating Officer, the Managing Director, the Chairman or the Board of Directors prior to releasing material information to the ASX.

If a senior manager becomes aware of material information, this policy obliges the senior manager to notify the Company Secretary. It is not necessary for the senior manager to consider whether an exemption to the requirement to disclose may apply.

3 Hastings Continuous Disclosure Obligations

3.1 Introduction

The Corporations Act 2001 and the ASX Listing Rules require Hastings, as Responsible Entity for funds listed on the ASX, to comply with continuous disclosure obligations. The sources of Hastings' continuous disclosure obligations are:

- the ASX Listing Rules (particularly Listing Rule 3.1); and
- the continuous disclosure provisions contained in the Corporations Act 2001 (in particular, sections 674-678 of the Corporations Act 2001).

3.2 Roles and responsibilities of the ASX and ASIC

ASIC and the ASX jointly administer the continuous disclosure regime for entities listed in Australia. The ASX is responsible for administering the Listing Rules while ASIC is responsible for enforcing the Corporations Act 2001.

3.3 ASX disclosure obligations

(a) Listing Rule 3.1

Pursuant to Listing Rule 3.1, Hastings must immediately notify the ASX of:

Any information of which Hastings becomes aware, concerning Hastings or the Funds that a reasonable person would expect to have a material effect on the price or value of any securities issued by Hastings as Responsible Entity.

A reasonable person is taken to expect information to have a **material effect** on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities. In forming a view as to whether a reasonable person

would consider information to be material, Hastings should take into account previous disclosure it has made to the market, e.g., previously released profit expectations, commentary on likely results, or detailed business plans or strategies to the market.

An indicative (but not exhaustive) list of matters that may be considered material is set out in Annexure A.

Hastings becomes **aware of information** if any of its directors or executive officers has, or ought reasonably to have, come into possession of the information in the course of performance of his or her duties as a director or executive officer of Hastings.

The disclosure obligation does not generally apply where the information is externally determined or generally available. However, the impact of information that is generally available on the Funds (e.g., the impact of a material change in the A\$ value) may be such that it is likely to have a material effect on the price or value of the Funds' securities. If the generally available or exogenous information is likely to have a material impact on the Funds', the disclosure obligation will apply and the impact or effect must be disclosed.

Information is usually considered to be generally available if:

- (a) it consists of a readily observable matter; or
- (b) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by Hastings and a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

(b) **Listing Rule 15.7**

Hastings must not release the abovementioned information to any person (e.g., analysts, the media or the Hastings website) until it has given the information to the ASX and has received an acknowledgment that the ASX has released the information to the market.

That is, selective disclosure of information cannot be made to brokers, analysts, the media, professional bodies or any other person until the information has been given to (and receipt acknowledged by) the ASX.

3.4 Exceptions to ASX disclosure obligations

Disclosure under Listing Rule 3.1 is not required where **each** of the following conditions is and remains satisfied:

- (1) a reasonable person would not expect the information to be disclosed; **and**

- (2) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
- (3) **one or more** of the following conditions apply:
- (A) it would be a breach of a 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 solely for the internal management purposes of Hastings; or
 - (E) the information is a trade secret.

As soon as any of these elements are no longer satisfied (e.g., the information is reported in the media and, therefore, is no longer confidential), Hastings must immediately comply with its continuous disclosure obligations. The obligation to disclose the information arises even though two of the above three requirements remain satisfied (ASX Listing Rule 3.1A).

3.5 False markets

If ASX considers that there is likely to be a false market in the Funds' securities and asks Hastings to give it information to correct or prevent a false market, then Hastings must give ASX the information needed to correct or prevent the false market (ASX Listing Rule 3.1B).

The obligation to give information under this rule applies, even where an exception described above in part 3.4 applies.

Pursuant to the Listing Rules, Hastings is required to make a clarifying statement or announcement to the ASX in circumstances where Hastings becomes aware that speculation or comment is, or is likely to, create a false market in the Funds securities.

Hastings is not required to respond to all media comment and speculation. However, when:

- media comment or speculation becomes reasonably specific; or
- there is evidence that, or ASX forms the view that, e.g., the rumour or comment is likely to have an impact on the price of a Fund's securities, the market moves in a way that appears to be referable to the comment or speculation;

Hastings has a positive obligation to make such disclosure as is necessary in order to prevent a false market in the Funds' securities and ensure investors are not trading on false or misleading information. In these types of circumstances ASX considers that there is or is likely to be a false market in an entity's securities.

3.6 Contravention

Hastings contravenes its Australian continuous disclosure obligations if it fails to notify the ASX of the information required by Listing Rule 3.1 to be disclosed.

If Hastings contravenes this obligation by failing to notify the ASX of information:

- (a) that is not generally available; and
- (b) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of securities issued by Hastings,

it, and its officers, may be guilty of an offence under the Corporations Act (there may be civil and criminal implications arising from a contravention). In addition, the Criminal Code applies to an offence based on a contravention of this obligation where either intention or recklessness or both can be shown.

3.7 Liability and enforcement – penalties for breach

(a) Hastings

If Hastings is found to have committed an offence, it may face:

- criminal liability with a fine of up to \$110,000; and
- civil liability for any loss or damage suffered by any person as a result of Hastings' failure to disclose relevant information to the ASX, as well as other possible civil penalties for contravention.

ASIC can also institute proceedings under the ASIC Act 1989.

There is no fault element required to establish civil liability. The court will determine objectively whether a breach has occurred. However, the court has the power to relieve a person from civil liability if the person acted honestly and in the circumstances ought fairly be excused for the contravention.

Hastings could also be de-listed for non-compliance with the Listing Rules.

(b) Others

Hastings' officers (including its directors), employees or advisers who are involved in the contravention by Hastings, may also face criminal penalties (e.g., a fine of up to \$22,000 and/or 5 years imprisonment) and civil liability as outlined above.

(c) Enforcement

The court also has power under the Corporations Act 2001 to order compliance with the Listing Rules on the application of the ASX, ASIC or an aggrieved person (for example, a Fund securityholder (section 793C(2) Corporations Act 2001)).

(d) Unwanted publicity

Contravention of its continuous disclosure obligations may also lead to unwanted publicity for Hastings and may cause damage to its reputation in the market place which may adversely impact upon the market value of its securities.

4 Continuous Disclosure Procedures

4.1 ASIC Guidance Rule and ASX Guidance Note 8

ASX has issued a guidance note on continuous disclosure and the ASX and ASIC have prepared and issued guidance principles which suggest practical steps that listed companies can take to ensure that they meet their continuous disclosure requirements.

The ASX Guidance Note outlines the best practice approach that should be adopted towards continuous disclosure. Specifically, the listing rules are to be interpreted:

- in accordance with their spirit, intention and purpose;
- by looking beyond form to substance; and
- in a way that best promotes the principles on which the Listing Rules are based.

The ASIC guidance principles suggest:

- keeping to a minimum the number of directors and staff authorised to speak on the company's behalf;
- appointing a senior officer to have responsibility for ensuring compliance with the company's continuous disclosure obligations. This officer should be aware of information disclosures in advance, including information to be presented at private briefings; and
- that procedures should be implemented which will ensure that price sensitive information is released first to the ASX before disclosing it to others outside of the company.

4.2 Persons to whom this policy applies

This policy applies to:

- (a) all directors of Hastings;
- (b) senior management of Hastings (comprising the Chief Operating Officer, the Managing Director, other executives, and other nominated staff).

4.3 The policy

The following procedures will continue to apply to safeguard against inadvertent breaches by Hastings of its continuous disclosure obligations:

- (a) The Company Secretary is appointed to co-ordinate compliance with continuous disclosure obligations of Hastings; and

- (b) The Company Secretary or delegate will circulate every fortnight an email to senior management asking them to:
 - (1) make appropriate enquiries of the employees that report to them;
 - (2) confirm that they are not in possession of any information that should be considered for disclosure to the market or provide details of relevant information; and
 - (3) **immediately** notify the Company Secretary of information that comes into his or her possession that is not generally available, which may be price sensitive and which should be considered for release to the market (**material information**). It is not necessary for senior management to determine whether the information should be released or whether an exception to the requirement to disclose applies. The obligation is simply to notify the Company Secretary and provide sufficient information to him so that he can make that determination.
- (c) During the fortnightly period between circulation of emails from the Company Secretary, if a member of senior management becomes aware of information which may be material information, that member of senior management must immediately notify the Company Secretary.
- (d) It will be the responsibility of the Company Secretary to review the responses received and any other material information reported by senior management and determine what action (if any) is to be taken in relation to the material information. Where appropriate, the Company Secretary will liaise with the Chief Operating Officer, the Managing Director, the Chairman or the Board of Directors prior to releasing the material information to the ASX. Where appropriate, the Company Secretary will determine the information may be disclosed on the Hastings website, after having been disclosed to the ASX.

4.4 Responsibilities of Continuous Disclosure Officer

The Company Secretary will:

- (a) liaise with the ASX in relation to continuous disclosure issues;
- (b) ensure that there is an adequate system in place for the disclosure of all material information to the ASX in a timely fashion to ensure that the market remains fully informed and to prevent or correct a false market;
- (c) review fortnightly management reports to determine if there is a disclosable matter and, if so, whether the matter involves any confidential aspects;
- (d) co-ordinate the actual form of disclosure including ensuring that verification procedures have been complied with to ensure that the information that is released is not false or misleading, including by

- omission, in any material respect, reviewing proposed announcements by Hastings to the ASX and liaising with the Chief Operating Officer and the Managing Director in relation to the form of any releases;
- (e) liaise with the Chief Operating Officer, the Managing Director, the Chairman and the Board of Directors, as appropriate, in relation to the disclosure of information;
 - (f) keep a list of relevant matters to monitor (e.g., including incomplete negotiations and internal papers) which may require disclosure in the future;
 - (g) prepare regular disclosure reports to the Board of Hastings which advise of material matters considered and the form of disclosure (if any); and
 - (h) review and if appropriate update Hastings disclosure procedures at least annually and whenever there is a change to:
 - (1) an ASX continuous disclosure rule; or
 - (2) a relevant ASIC requirement,
 and submit those changes to the Board for approval.

4.5 Media and investor relations

Information or presentations provided to, and discussions with, analysts, professional bodies or any other person, are also subject to the continuous disclosure policy. Material information must not be selectively disclosed (e.g., to analysts, professional bodies, the media, customers or any other person) prior to that information being announced to the ASX. To avoid an inadvertent breach of this requirement, the following procedures apply:

- All inquiries from investors and analysts must be referred to the Chief Operating Officer, the Managing Director or the Company Secretary who will arrange for the appropriate person to respond to the inquiry;
- All material to be presented at an analyst briefing must be approved by or referred through the Company Secretary prior to the briefing;
- All inquiries from the media must be referred to the Chief Operating Officer or the Company Secretary;
- The approval of all media releases will be co-ordinated by the Chief Operating Officer (or the Company Secretary if the Chief Operating Officer is unavailable). The Company Secretary is to ensure that all media releases are vetted against supporting documentation available at the time of the release and prior to approval and authorisation of release to the market;
- All other calls are to be directed to Computershare Investor Services (the Registry);
- All media releases and material to be presented (e.g. at seminars) must be approved by or referred through the Company Secretary prior to release to journalists or other professional bodies; and

- If a senior manager is proposing to present any material information to analysts, journalists or customers, the senior manager should ensure copies of the material are provided to the Company Secretary prior to presenting that information externally.

4.6 Interview/Briefing Black-out period

No interviews or presentations should be given in the two month period leading up to the annual results announcement or one month before the publication of any other results or outlook without the specific permission of the Managing Director.

A person who is given permission by the Managing Director to give an interview or make a presentation must notify the Chief Operating Officer of the date and time for the interview and must give a copy of any presentation to the Managing Director.

Additional periods in which interviews may not be given or in which presentations may not be made without the specific permission of the Managing Director may be imposed. Relevant persons will be notified of any such additional interview/briefing black-out period.

Annexure A – Information Disclosure Requirements

Hastings must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by Hastings. Set out below is an illustrative list of matters that may give rise to an obligation to make disclosure to the market. Any such matter (or similar) must be notified to the Company Secretary, who will determine whether disclosure is required.

You should use this list as a guide and should not take this as an exhaustive list of the issues that must be notified to the Company Secretary.

Such information could include, but is not limited to, matters involving:

- (1) the financial condition, results of operations and earning performance of any of the Funds or a company controlled by any of the Funds, which are significantly different from that anticipated by Hastings or the market;
- (2) a proposed acquisition or disposition of assets to be announced by Hastings or a company controlled by any of the Funds;
- (3) legal proceedings against or allegation of any breach of the law, whether civil or criminal, by any of the Funds, Hastings or any Hastings employees;
- (4) a change in any of the Funds' financial forecasts or expectations;
- (5) events or occurrences that have an impact on the operations of the Funds or a controlled entity of the Funds;
- (6) a recommendation or declaration of a dividend or distribution, or a recommendation or declaration that a dividend or distribution will not be declared;
- (7) a change in accounting policy adopted by any of the Funds;
- (8) natural disasters or accidents that have particular relevance to the businesses of any of the Funds or their suppliers;
- (9) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by Hastings as Responsible Entity of any of the Funds or any controlled entity of any of the Funds;
- (10) an agreement between Hastings (or a related party or subsidiary) and a director (or a related party of the director);
- (11) changes in Hastings' officers or Managing Director;
- (12) changes in the any of the Funds' auditors;
- (13) any negative publicity;
- (14) planning to undertake a significant financing or security issue (whether debt or equity) or to take other action with respect to outstanding securities (e.g., share repurchase program, redemption of bonds) or any default on any securities.

Note: These examples do not provide an exhaustive list. You should include in your reports any matters which you think may be "price sensitive" or influence an investor's decision to buy or sell securities.

Annexure B – Email Disclosure Report

Please complete this disclosure report and forward it to the Company Secretary:

- by *[insert time & day of week]*; and
- as soon as you become aware of information that is not generally available and which may be price sensitive (“material information”) or if there is a change of status in relation to any information previously reported to the Continuous Disclosure Officer.

The Continuous Disclosure Officer will determine whether the matter must be disclosed and will co-ordinate any communications with the ASX.

If you have any questions regarding this disclosure report, please contact the Continuous Disclosure Officer.

Are you aware of any matter which is material and should be considered for disclosure to the market?

If yes, please provide the relevant details set out below.

If you are aware of more than one matter, please send a separate reply for each matter.

General description of matter which may be material:

- (a) Parties involved:
- (b) Relevant date of event/transaction:
- (c) Status of matter (eg. final/ negotiations still in progress/ preliminary investigations only):
- (d) Estimated value of transaction:
- (e) Estimated effect on the Funds operations:
- (f) External advisers (if any), or provide names of in-house advisers involved:
- (g) Previous announcements made in relation to the matter (if any):

Enquires relating to Hastings

When responding to enquires from the Funds’ investors, potential investors or analysts, please follow the following process:

- i. Provide any written information to be provided to analysts to the Company Secretary for review to determine if disclosable.
- ii. Only the applicable Chief Operating Officer is able to deal with retail investors or analysts as an Authorised Representative in charge of the fund, or the Managing Director or the Company Secretary who will arrange for the appropriate person to respond to the inquiry.
- iii. All other calls are to be directed to Computershare Investor Services (the Registry).