

## ADACEL CONTINUOUS DISCLOSURE POLICY

### 1. *Purpose*

The Continuous Disclosure Policy outlines the responsibilities of Adacel and its employees in relation to disclosure of company information that impacts on investor decisions. This policy has been developed to ensure that Adacel employees are aware of the legal framework surrounding Continuous Disclosure.

### 2. *Background*

As a public company listed on the Australian Stock Exchange (ASX), Adacel is committed to providing shareholders, potential shareholders, analysts and advisers with information that enables them to better understand the company, its strategies, its performance and its potential.

In addition, Adacel and its employees have legal responsibilities to meet the Corporations Code and the ASX Listing Rules in relation to disclosure of market sensitive information. This regulatory framework has been developed to ensure that all investors in a public company have the benefit of appropriate, relevant and timely information that may impact on their decision to buy or sell securities of a listed company.

### 3. *Scope*

This Policy applies to all Adacel employees and covers the management and release of announcements and a wide range of company information through both formal and informal channels.

### 4. *Definitions*

#### **Adacel securities**

Adacel securities include any classes of Adacel shares, listed options or income securities that may be issued by the company.

#### **Material information**

Material Information is any information concerning a material change in Adacel, its performance or prospects, or which a reasonable person would expect to have a 'material' effect on the price or value of Adacel securities.

#### **Market or price sensitive information**

Information that has the potential to affect the price or value of Adacel securities.

### 5. *Statement of Adacel Continuous Disclosure Policy*

Adacel is committed to providing shareholders, potential investors and financial intermediaries with full and timely information about the company and its operations, in order to allow informed investment decisions.

To ensure this, Adacel will immediately notify the market via an announcement to the ASX of any material or market sensitive information concerning Adacel, except in situations outlined in section 3.1.3 of the ASX Listing rules (see below).

Once information has been released through the Australian Stock Exchange, Adacel seeks to ensure wide dissemination through its External Communications programs.

The Continuous Disclosure obligations of ASX-listed companies are outlined in ASX Listing Rule 3.1:

*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. This rule does not apply to particular information while each of the following applies.*

- 3.1.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1.2 *The information is confidential*
- 3.1.3 *One or more of the following applies*
  - (a) *It would be a breach of 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 the internal management purposes of the entity*
  - (e) *The information is a trade secret.*

## **6. Responsibilities**

### **6.1 Responsibilities – Disclosure Officers**

Adacel nominates one or several Disclosure Officers to be responsible for overseeing the Disclosure aspects of the Continuous Disclosure Policy and to be Contact Officers with the ASX. The Disclosure Officer is currently the Company Secretary.

### **6.2 Decisions on Disclosure**

The Chairman, Chief Executive Officer or equivalent, Chief Financial Officer or equivalent and Company Secretary are responsible for evaluating and making decisions on disclosure and investor communications. Adacel staff are welcome to discuss disclosure issues with these managers, in the first instance through contact with the Company Secretary.

The Committee will provide guidelines to assist employees in understanding what information may be price or value sensitive, and therefore required to be disclosed to the market via the ASX.

### **6.3 Responsibilities – Reporting information to Disclosure Officers**

To ensure that there is timely release (and no inadvertent premature release) of material information, management and staff employees must consult with the Disclosure Officers in relation to:

- any potentially material information, proposal or contract, or
  - a matter that meets the criteria in the materiality guidelines advised by Adacel's Disclosure Officers
- as soon as they become aware of it.



The Chairman, Chief Executive Officer or equivalent and Company Secretary are responsible for the materiality guidelines that apply to operations including numerical indicators to be applied against financial measures. Operations will be reviewed against those guidelines for the purposes of this policy. Changes made to the guidelines will be communicated to Adacel's operations.

#### **6.4 Responsibilities – Communication of disclosable information**

All information disclosed to the ASX in compliance with this policy will be placed on Adacel's website following receipt of confirmation from the ASX. The Disclosure Officers and the Chairman and Chief Executive Officer or equivalent will decide if the material should also be distributed more broadly.

#### **6.5 Responsibilities – All Adacel staff**

All Adacel employees have responsibilities both to Adacel and under the various applicable laws in relation to appropriate handling and non-disclosure of material and price sensitive information.

This includes not disclosing, even in informal or personal situations, information that may be material or price sensitive. This also has implications under Insider Trading provisions of the various applicable laws. (See Adacel's "**Insider Trading Policy**")

#### **6.6 Responsibilities – Internal Communications**

Management and staff are not to issue internal announcements or emails about material or price sensitive events, eg major new contract wins, prior to release of approved company information through the ASX.

#### **6.7 Responsibilities – Managing market speculation and rumour**

Market speculation and rumors, whether substantiated or not, have a potential to impact Adacel. Speculation may also result in the ASX formally requesting disclosure by Adacel on the matter. Speculation may also contain factual errors that could materially affect the company.

Adacel's general policy on responding to market speculation and rumors is the "the company does not respond to market speculation or rumors". This policy must be observed by employees at all times. If a comment is to be made, that is a decision for Adacel's Disclosure Officers, the Chairman and Chief Executive Officer or equivalent.

Notwithstanding Adacel's no comment policy, Adacel may issue a statement in relation to market speculation or rumor where:

- Adacel considers it has an obligation at that time to make a statement to the market about a particular matter; or
- Adacel is required to respond to a formal request from the ASX for information.

#### **6.8 Responsibilities – "Blackout" periods**

To protect against inadvertent disclosure of material price or value sensitive information, Adacel imposes communication 'blackout' periods between the end of its financial reporting periods (31 December and 30 June) and announcement of results to the market.



In the 'blackout' periods Adacel will not hold:

- one-on-one briefings with institutional investors, individual investors or stockbroking analysts to discuss Adacel financial information or to comment on outlook (other than as previously disclosed to the market); or
- open briefings other than to deal with matters which are the subject of an announcement via the ASX.

During this period, Adacel's authorised spokespersons may make general presentations about Adacel and its operations, but cannot comment on issues which would contravene the above.

### **7.0 Authorities**

The only Adacel employees authorised to speak to the media or externally in relation to the matters subject to this policy are those approved by the Chairman, Chief Executive Officer or equivalent and Company Secretary from time to time.

The only Adacel employees authorised to speak on behalf of Adacel to institutional investors and stockbroking analysts are:

- Chairman;
  - Chief Executive Officer or equivalent;
  - Chief Financial Officer or equivalent;
  - Company Secretary
- or their delegates nominated for that purpose.

Those authorised employees may clarify information that Adacel has publicly released but must not comment on material price or value sensitive issues that have not been disclosed to the market generally. Adacel will not expressly or implicitly provide institutional investors or stockbroking analysts with earnings forecast guidance that has not been disclosed to the market generally.

If any other employee receives a request for comment from an external investor, analyst or the media in relation to any matter concerning Adacel they must advise that person that they are not authorised to speak on behalf of Adacel and must refer enquiries to Adacel's Disclosure Officers.