

**DISCLOSURE POLICY AND  
ASX COMMUNICATION COMMITTEE CHARTER**

## Disclosure and ASX Communication Committee Charter

The Disclosure and Communication Committee is a standing committee authorized by the Board to assist the Company in meeting its disclosure obligations to the ASX promptly and without delay. The Committee provides assurance to the Board that all potentially market sensitive information has been considered for compliance with the Company's continuous disclosure obligations.

### Accountability

The Disclosure and ASX Communication Committee is accountable to the Rhinomed Board.

### Purpose

The purpose of the Disclosure and ASX Communication Committee is to act on behalf of the RNO Board to ensure compliance with the Disclosure and Communication Policy.

### Role

The Disclosure and ASX Communication Committee will review the policy annually to ensure it reflects changes in the Company's business operations, the Corporations Act or the Listing Rules, and is effective in ensuring that the Company meets its disclosure obligations. The Committee will:

- Recommend amendments to the Board.
- Oversee the effective disclosure of information subject to this policy.
- Promote the practices and procedures contained in this policy by raising awareness of the Company's continuous disclosure obligations.
- Ensure that the Company complies with its continuous disclosure obligations.
- Ensure that full consideration is given to the appropriateness, quality and adequacy of material information that is proposed to be released to ASX by the Company.
- Appoint a Disclosure Officer who is responsible for communicating information to the ASX.
- Create and maintain a disclosure register of relevant information that will be considered by the committee.
- Make recommendations to the board regarding the disclosure of information to ASX in relation to matters of significance to the Company.

### Composition

The Disclosure and ASX Communication Committee will be composed of the following people:

- A Chairperson who is either a member of Senior Management or a Board Member.
- A Staff Liaison who is an employee of Rhinomed
- The Company Secretary.
- The committee will have at least three members

### Meetings

The Disclosure and ASX Communication Committee will meet as needed. A quorum for meetings is 2 members.

# **DISCLOSURE POLICY & ASX COMMUNICATIONS POLICY**

**RHINOMED LIMITED**  
**ACN 107 90 3159**

**January 18, 2017**

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## Introduction

Rhinomed Limited has obligations under the Corporations Act 2001 (Cth) (Corporations Act) and the listing rules of the Australian Stock exchange (Listing Rules) to keep the market fully informed of information which may have a material effect on the price or the value of the Company's securities.

The Company is committed to complying with its continuous disclosure obligations and to ensuring that trading in its securities takes place in a market which is orderly and informed and is not, or is not likely to be, false.

When designing this policy the Company has taken regard and adhered to the 3<sup>rd</sup> edition of the Corporate Governance Principles and recommendations issued by ASX Corporate Governance Council (Corporate Governance Principles), ASIC Regulatory Guide 62, the ASX and AusBiotech Code of Best Practice for Reporting by Biotechnology, Medical Device and other Life Sciences Companies and has sought and received independent, expert legal counsel.

The continuous disclosure regime involves a high degree of judgment to determine when a disclosure is required and the information that must be disclosed. As a general rule, and in accordance with the Listing Rules, the Company will take a principles based approach to disclosure to meet the letter and spirit of the continuous disclosure regime.

The purpose of this document is to outline the current policies, procedures and practices of the Company in relation to continuous disclosure and communication. Information released to the market will be factual, not omit any material information and be expressed in an objective and clear manner. This policy applies to all employees and directors of, and all contractors and secondees to, the Company, who are collectively referred to as "employees" for the sake of convenience.

This policy will be reviewed annually and adjusted to reflect any changes identified by the Company or as a result of any changes to ASX guidelines or the Corporations Act.

## Legal requirements

### ***Applicable Law***

The Company is subject to continuous disclosure requirements under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to the periodic and specific disclosure requirements.

### ***Listing Rule 3.1***

The Company's primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

*"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."*

### ***What is Material Price Sensitive Information?***

Under the Listing Rules and section 677 of the Corporations Act, a *reasonable person* is taken to expect that information would have a material effect on the price or value of the Company's securities if that information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities. Such information is referred to as "*Material Price Sensitive Information*" in this Policy.

Although the Listing Rules do not define when information will be considered to have the necessary influence on investors, guidance is provided in ASX Guidance Note 8, the ASX *Corporate Governance Principles and Recommendations* and ASIC *Regulatory Guide 62*.

In any event, since the test is objective, it is incumbent on the Company to decide whether it has *Material Price Sensitive Information* requiring disclosure and this policy is the Company's framework for managing that process.

### ***When is the Company aware of information?***

Under Listing Rule 19.12, the Company becomes *aware* of information if a director or executive officer of the Company has, *or ought reasonably to have*, come into possession of information in the course of the performance of their duties as a director or executive officer of the Company. The Company recognises that there is a positive duty on the directors and

executive officers to ensure that they become aware of *Material Price Sensitive Information* in a timely manner.

An *executive officer* of the Company includes persons concerned in, or taking part in, the management of the Company and its controlled entities.

## ***Immediate disclosure of Material Price Sensitive Information***

ASX interprets ‘*immediately*’ to mean *promptly and without delay*. The Company interprets this as to mean disclosing *Material Price Sensitive Information* as quickly as practicable in the circumstances (acting promptly) and not deferring, delaying, postponing or putting off disclosure to a later time. ASX expects the Company to act particularly quickly where the *Material Price Sensitive Information* is likely to be especially *adverse* to the price or value of the Company's securities.

## ***Disclosure to ASX first***

Listing Rule 15.7 requires that an entity must not release information that is for release to the market to anyone until it has given the information to ASX, and has received an acknowledgement from ASX that the information has been released to the market.

## ***Exceptions to immediate disclosure***

Disclosure is *not* required where each of the following is satisfied:

- One or more of the following applies<sup>1</sup>:
  - it would be a breach of a law to disclose the information;
  - the information concerns an incomplete proposal or negotiation;
  - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - the information is generated for the internal management purposes of the Company, or
  - the information is a trade secret.

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<sup>1</sup> The ASX guidance clarifies each of the below conditions and in relation to (ii) provides that a proposal is incomplete unless and until the Company has adopted it and is committed to proceeding with it. Negotiations are incomplete unless and until they result in a legally binding agreement or the entity is otherwise committed to proceeding with the transaction being negotiated. An agreement (otherwise disclosable) subject to conditions precedent or subsequent should be disclosed on signing of the agreement and not the satisfaction of the conditions.

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- the information is confidential and ASX has not formed the view that the information has ceased to be confidential<sup>2</sup>, and
- a reasonable person would not expect the information to be disclosed<sup>3</sup>.

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<sup>2</sup> The ASX guidance equates “confidential” with “secret” and views information to be confidential if:

- It is known to only a limited number of people;
- The people who know the information understand that it is to be treated in confidence and only to be used for a permitted purpose; and
- Those people abide by that understanding.

The ASX may consider confidentiality has been lost and require disclosure where a rumour / report describes specific and accurate details or there is a spike in trading not explained by other events or circumstances.

<sup>3</sup> [ASX guidance provides that the reasonable person test seeks to balance the needs of the market (access to information) and the interest of the Company (protection and control of information). It is an objective standard to be judged from the perspective of an independent and judicious bystander and not from the perspective of someone whose interests are aligned with the Company or the investment community.

ASX guidance provides that the reasonable person test is narrow in its operation and will usually be satisfied where **Tests a and b** above are met.

A reasonable person, however, would expect an entity to give full and complete disclosure and not to “cherry-pick”, disclosing good news but not bad news, rendering the announcement incomplete or misleading.

The Company must meet its continuous disclosure obligation as soon as any one of Tests a, b or c is no longer satisfied. This means that the availability of the exception must be assessed by the Company on an ongoing basis in relation to any material price sensitive information that has not been disclosed to the ASX.]



## **The Company's Continuous Disclosure intent**

The Company will *promptly and without delay* notify ASX 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, unless exempted by the Listing Rules.

### ***The Disclosure Committee***

A Disclosure Committee has been established by the Managing Director as a management committee. Its purpose is to assist the board with the discharge of its respective responsibilities, in particular to:

- oversee the effective disclosure of information subject to this policy;
- promote the practices and procedures contained in this policy by raising awareness of the Company's continuous disclosure obligations, and
- ensure that the Company complies with its continuous disclosure obligations.
- Specifically, the Disclosure Committee will:
  - ensure that full consideration is given to the appropriateness, quality and adequacy of material information that is proposed to be released to ASX by the Company;
  - Appoint a Disclosure Officer who will be responsible for communicating information to the ASX;
  - create and maintain a disclosure register of relevant information that will be considered by the committee;
  - make recommendations to the board regarding the disclosure of information to ASX in relation to matters of significance to the Company;
  - approve the disclosure of information to ASX in relation to other material matters, and
  - ensure that the systems and processes contemplated by this policy are operating effectively.
- Members of the Disclosure Committee will be:
  - A non-executive director (Chairman of the Disclosure Committee)
  - the CEO/Managing Director

- the Company Secretary (the Disclosure Officer)
- The Company's Communication Manager

The Disclosure Committee may discharge its responsibilities by meeting or by use of any other appropriate technology. Decisions of the Disclosure Committee require a quorum of at least two members, and are made unanimously by the members available as determined by the Chairman of the Committee.

The Disclosure Committee is the key mechanism for implementation of this policy.

## **Disclosure responsibilities and procedures**

### ***Summary of Procedure for dealing with potential Material Price Sensitive Information***

The roles and responsibilities within the Company in relation to disclosure, are:

- employees or directors of the Company must raise any potentially Material Price Sensitive Information with a Disclosure Committee member as soon as practicable;
- the Disclosure Committee members must refer any potentially Material Price Sensitive Information to the Disclosure Officer (Company Secretary) for consideration by the Disclosure Committee as soon as practicable;
- Information that could be considered as Material Price Sensitive Information will be collected and recorded in a Register (Disclosure Register) for consideration by the Disclosure committee as soon as practical;
- The Disclosure Register will be maintained and record the decisions of the Disclosure Committee and current Disclosure Register matters will be noted for inclusion in the board papers;
- the Disclosure Committee must, as soon as practicable, meet to determine whether the information referred to it is Material Price Sensitive Information requiring disclosure and if so, the Disclosure Committee will instruct the Communications Manager to create a Communication Brief which will be used to inform the preparation of a draft announcement. Where appropriate, consultation will be sought from the Company's external legal counsel. Such announcements should be factual, relevant and articulated in an objective and clear manner. The use of emotive or intemperate language will be avoided;

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- the Disclosure Committee must approve announcements concerning Material Price Sensitive Information;
- the Board of the Company must be consulted on announcements concerning significant matters;
- following approval and authorisation of the release of an announcement by the Disclosure Committee, the Disclosure Officer must arrange for the announcement to be released to ASX. To the extent time permits, the Company Secretary must notify the Managing Director and the Chairman of the proposed release prior to the release of the announcement;
- Announcements connected to routine administrative or shareholder announcements, ASX Listing Rule requirements deemed not to be price sensitive may be made by a Company Secretary without reference to the Disclosure Committee.

### ***What are the responsibilities of employees?***

In accordance with the Company's HR policy each employee will be educated in the meaning and importance of the Company's disclosure obligations and is empowered to identify any potentially *Material Price Sensitive Information* and must immediately inform a Disclosure committee member of:

- any potentially *Material Price Sensitive Information* of which he or she becomes aware, or
- a matter that meets the criteria in the materiality guidelines approved by the Disclosure Committee.

Employees must consult the Disclosure Officer if they are unsure whether a matter should, or needs to be, disclosed.

Any employee who considers that *Material Price Sensitive Information* has not been included on the register for consideration by the Disclosure Committee must immediately contact the Disclosure Officer.

This policy and the materiality guidelines approved by the Disclosure Committee are available to all employees on the Company's intranet. The Disclosure Officer and/or Company Secretary will ensure that regular communications are issued reminding employees of their obligations under this policy.

### ***Employee obligation to protect confidential information***

Maintaining the confidentiality of information is paramount to the Company's effective operation and success and in ensuring that the Company complies with its legal obligations,

including its continuous disclosure obligations. This obligation of confidentiality forms part of the Company's HR policy, which applies to all employees.

## ***What is the role of the board in approving disclosure?***

The Board is responsible for reviewing material disclosures recommended by the Disclosure Committee relating to the following significant matters, unless in any particular case it has resolved otherwise:

- material changes in the financial performance, financial position or projected financial performance of the Company;
- commencement of phase I, phase II or phase III trials;
- pre-clinical or clinical trial results
- entry into a material licence or other collaborative relationships;
- changes of directors or senior management;
- takeovers, mergers, acquisitions and disposals, schemes of arrangement and all other transactions involving a transfer of control;
- share buybacks and capital reductions concerning the Company securities;
- de-mergers and restructures;
- equity capital raisings for the Company;
- market updates, including any earnings guidance for the Company;
- interim and final results, including media releases, investor presentations and investor reports accompanying the release of interim and final results;
- any matter where directors make a recommendation to the Company shareholders; and
- any other matter that the Board determines to be a major matter affecting the Company.

Any proposed material announcement regarding a significant matter must be referred by the Disclosure Committee for review by the Board. A referral from the Disclosure Committee to the Board must be accompanied by the Company's ASX Announcement Disclosure Brief and also recorded in the Company's Disclosure Register.

## ***Market sensitive information must be released to ASX first***

The Company will not disclose any information publicly that is required to be disclosed through ASX until the company has received confirmation of its release by ASX.

## ***Disseminating announcements***

After receiving ASX's confirmation that an announcement has been released to the market, the Company will post the announcement on the Company's website.

The Company's website will contain relevant information on the Company such as:

- ASX announcements;
- annual reports and other financial results;
- presentations and other information such as corporate presentations and newsletters; and
- Annual general meeting information.

The website will be reviewed regularly by the Communications Manager to ensure that it is up-to-date, complete and accurate.

## ***Correcting and updating announcements***

If the Company becomes aware that information disclosed to ASX under this policy is, or has become, materially misleading or inaccurate, or contains a material omission, the Company must immediately release an announcement correcting or updating the relevant statement.

## ***Periodic disclosure obligations do not affect continuous disclosure obligations***

The Company is obliged to make periodic disclosures pursuant to the Listing Rules and the Corporations Act. Announcements for periodic disclosures must be reviewed by the Disclosure Committee, other than financial reports which are subject to a separate process of internal review and verification. Compliance with periodic disclosure requirements does not extinguish or limit the Company's continuous disclosure obligations under the Listing Rules.

Any employee who becomes aware, during the course of preparing a periodic disclosure, of any potentially *Material Price Sensitive Information* must immediately refer the matter to a Company Secretary for consideration by the Disclosure Committee, regardless of whether the periodic disclosure document is ready for release.

## **Market speculation and external communication**

### ***No comment policy for employees***

The Company generally does not respond to market speculation or rumours, unless required to do so to correct or prevent a false market in the Company's securities.

This policy and the Company's other policies relating to external communications must be strictly observed by employees at all times.

The Company will not provide the media with exclusive interviews or information that potentially contains any *Material Price Sensitive Information* prior to disclosing that information to ASX. It will also not provide any information "off the record". The Company will not disclose any information that is potentially *Material Price Sensitive Information* publicly under an embargo arrangement prior to release to ASX. All employees, directors and officers of the Company who are approached by the media or any external parties for information should observe the "no comments" policy and notify a Company Secretary and / or the CEO as soon as possible.

### ***Statements regarding market speculation and rumours – false market***

A 'false market' refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery in relation to the Company's securities, for example where there is false or misleading information concerning the Company, including a false rumour, circulating in the market.

A statement in relation to market speculation or rumour must be issued immediately, by an announcement to ASX, where:

- the Disclosure Committee considers that the Company has an obligation at that time to make a statement to the market about a particular matter to comply with the Company's continuous disclosure obligations, or
- ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give ASX information to correct or prevent the false market.

The obligation to give information to ASX to correct or prevent a false market applies even if an exception to *immediate* disclosure applies.

## ***Monitoring the market***

The Company carries out the following practices, amongst others, to ensure compliance with its continuous disclosure obligations and the avoidance of a false market in its securities:

- *Media:* The Communications Manager monitors the media (including relevant unrestricted social media) to detect issues that may require the Company to make an announcement or take other action in accordance with its continuous disclosure obligations and reports them to a Company Secretary for escalation under this policy.
- *Share price:* The Company Secretary monitors the market price of the Company's securities on an ongoing basis and reports unexpected movements to the CEO.
- *Market expectations:* The Company Secretary monitors analyst reports so that the Company has an understanding of what the market is expecting its earnings to be for the current reporting period. He or she will regularly ascertain whether market expectations differ materially from the Company's internal earnings forecasts and if so, will refer the matter to the CEO.

## ***Briefings with analysts or investors***

As part of the Company's management of investor relations and to enhance brokers' and analysts' understanding of its background and technical information, it may from time to time conduct briefings with analysts or investors, including:

- One-on-one discussions (for the purpose of this policy, this includes any communications between the Company and an analyst/investor);
- Group briefings; and
- Conference calls,
- Presentations at broker sponsored investor conferences.

(collectively referred to as "briefings").

The Company's policy for conducting these briefings is not to disclose any information that is, or potentially is, *Material Price Sensitive Information*, that has not been announced to ASX.

## ***Responding to analyst reports and forecasts***

Broking analysts may prepare reports on the Company, which contain performance and financial forecasts. The Company acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.

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However, the Company is independent and will do all things necessary to be seen as independent, to analysts. The Company will restrict its comments to factual matters and information which has been previously disclosed to ASX and the market generally.

## ***Inadvertent disclosure of information***

Disclosure of *Material Price Sensitive Information* to an external party prior to disclosure to ASX constitutes a breach of Listing Rule 15.7. If an employee of the Company becomes aware that:

- there may have been inadvertent disclosure of Material Price Sensitive Information (which has not been disclosed to ASX) during any communication with external parties; or
- confidential Company information may have been leaked (whatever its source),

he or she should immediately notify a Disclosure committee member. In such a situation, the Company will need to immediately issue a formal ASX announcement.

## ***Trading Halts***

In certain circumstances, it may be necessary to request a trading halt (or, in exceptional cases, a voluntary suspension) from ASX to ensure that orderly trading in the Company's securities is maintained and to ensure compliance with the Company's continuous disclosure obligations.

Any request for a trading halt or voluntary suspension must be approved by the CEO, but if he or she is not available, the approval of the Chairman must be obtained.

The CEO will consult with the Chairman on any proposal to request a trading halt or voluntary suspension, to the extent practicable in the circumstances and if the Company's securities are trading on ASX, only where to do so would not delay the request for the trading halt or voluntary suspension.

Where the CEO approves a request for a trading halt or voluntary suspension, the CEO must instruct a Company Secretary to request the trading halt or voluntary suspension from ASX, immediately. That Company Secretary is responsible for contacting ASX to request the trading halt or voluntary suspension. The Company Secretary must advise the Board and senior executives of the trading halt or voluntary suspension following the request to ASX.

## ***General Meetings***

The Company has adopted the ASX guidelines for the design and content of notices of meeting and the conduct of shareholder meetings. The Company will use general meetings



to communicate to shareholders, in addition to posting of information on its website, to a reasonable opportunity for informed shareholder participation.

## ***Auditor***

The external auditor will be invited to attend all annual general meetings and to be available to answer shareholder questions about the conduct of the audit of the Company and the preparation and content of the auditor's report.

## **Responsibility for this Policy**

### ***Company Secretary***

The Company Secretary is responsible for the overall administration of this policy and in particular, is responsible for:

- implementing reporting processes and determining guidelines (financial or qualitative) for materiality of information;
- keeping a record of all ASX and other announcements that the Company has made;
- monitoring the effectiveness of this policy, including the understanding of it by employees.

### ***Disclosure Committee***

The Disclosure Committee will review this policy annually to ensure it reflects changes in the Company's business operations, the Corporations Act or the Listing Rules, and is effective in ensuring that the Company meets its disclosure obligations. The Disclosure Committee will recommend amendments to the Board.

All amendments to this policy must be approved by the Board, other than amendments required as a result of changes to position titles, the Company's organisational structure or branding which may be approved by the Disclosure Committee.

### ***Breach of Policy***

The Company takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Corporations Act or 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. Breaches of this Policy may result in disciplinary action against the individual.

## ***Further information***

All directors, officers and employees of the Company should read this Policy carefully and familiarise themselves with the policy and procedures detailed. Anyone who has any questions on the Policy, or requires further information, should contact the Company Secretary.