

# **DISCLOSURE AND COMMUNICATION POLICY AND GUIDELINES.**

Bell Financial Group Ltd (ACN 083 194 763) (the “Company”)

Dated 26 October 2010

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## 1 Introduction

### 1.1 Company's commitment to disclosure and communication

Bell Financial Group Ltd ("**Company**") is committed to the promotion of investor confidence by ensuring trade in its securities takes place in an efficient, competitive and informed market.

The purpose of this policy is to:

- outline the Company's policy in respect of its continuous disclosure obligations imposed by ASX Limited's (ASX) Listing Rules, the Corporations Act 2001 (Corporations Act), and other relevant laws; and
- reflect Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of shareholders) of ASX Corporate Governance Principles and Recommendations.

### 1.2 Application of this policy

This policy applies to all directors on the board of the Company ("**Board**"), as well as officers, employees and consultants of the Company and directors, officers, employees and consultants of the Company's related entities ("**Group**").

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## 2 Continuous Disclosure obligations

### 2.1 Disclosure obligations

The Company will immediately disclose to the market, by announcing to ASX, any information concerning the Company that a:

- reasonable person would expect to have a material effect on the price or value of its securities; or
- a reasonable investor is likely to use as part of the basis for making an investment decision.

Materiality is assessed using measures appropriate to the Company and having regard to the examples given by ASX in ASX Listing Rule 3.1.

If any material information disclosed to the market becomes incorrect, the Company must release an announcement correcting or updating the information.

### 2.2 Exceptions to disclosure of information

Disclosure of price sensitive information is not required while the following paragraphs (a), (b) and (c) are satisfied:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential and ASX has not formed a view that the information has ceased to be confidential; and
- (c) one or more of the following applies:

- (i) it would be a breach of a law to disclose the information;
- (ii) the information concerns an incomplete proposal or negotiation;
- (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- (iv) the information is generated for the internal management purposes of the Company;  
or
- (v) the information is a trade secret.

The Company must disclose the information to ASX as soon as one of paragraphs (a), (b) or (c) is no longer satisfied.

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## 3 Disclosure roles, responsibilities and internal procedures

### 3.1 Disclosure and communication framework

The Company has adopted a framework that is designed to ensure:

- timely and accurate information is provided equally to all shareholders and market participants regarding the Company including its financial situation, performance, ownership, strategies, activities and governance;
- channels for disseminating information are adopted which are fair, timely and cost-efficient; and
- it does not communicate material price, or value, sensitive information to any external party prior to that information being disclosed to all shareholders and market participants in compliance with its continuous disclosure obligations.

### 3.2 Disclosure Officer

The Board has appointed the Company Secretary to act as the Disclosure Officer to:

- be responsible for disclosure to ASX; and
- have responsibility for communications with ASX in relation to ASX Listing Rule matters generally (in accordance with ASX Listing Rule 12.6).

The Disclosure Officer will work closely with the Managing Director and Chief Financial Officer (“CFO”) with a view to:

- ensuring that the Company complies with its disclosure obligations;
- assessing the possible materiality of information which is potentially price sensitive;
- deciding whether information should be disclosed to the market;
- seeking to ensure that announcements are made in a timely manner, are not misleading, do not omit material information and are presented in a clear, balanced and objective way;

- reviewing the Company's periodic disclosure documents and media announcement before release to the market; and
- periodically monitoring disclosure processes and reporting and reviewing the effectiveness of the disclosure and materiality guidelines.

## 4 Disclosure Guidelines

### 4.1 Indicative events

Below is a list of indicative events that may require disclosure to ASX. The list is not exhaustive and the events are provided for guidance purposes only.

| Indicative Events             |   |
|-------------------------------|---|
| <b>Regulatory &amp; Legal</b> | <ul style="list-style-type: none"><li>▪ A change in legislation that has a significant effect on the Company and which may affect the value or price of its securities.</li><li>▪ Proceedings by a regulatory authority against a company in the Group that may result in:<ol style="list-style-type: none"><li>1. The imposition of material monetary penalties;</li><li>2. Loss of significant licence or approval to conduct operations; or</li><li>3. Significant damage to reputation or adverse community reaction.</li></ol></li><li>▪ Revocation, loss or expiry of AFS licence or other material approval granted by a regulatory authority.</li></ul> |

| Indicative Events |  |
|-------------------|--|
| Finance           | <p><b>Ratings</b><br/>Any rating applied by a rating agency to the Company or the securities of the Company, and any change to such a rating.</p> <p><b>External Auditor</b><br/>A change in, or a proposal to change the Company’s auditor.</p> <p><b>Accounting Policy</b><br/>A material change in the accounting policy adopted by the Company.</p> <p><b>Documents Lodged with Regulators</b><br/>Copy of any financial documents that the Company or Group lodges with any regulator and which is available to the public.</p> <p><b>Variations</b><br/>Material variations between:</p> <ul style="list-style-type: none"> <li>■ Actual revenues and profits, and financial results for the previous corresponding period;</li> <li>■ Internal financial forecast and external expectations;</li> <li>■ Preliminary and final results; or</li> <li>■ Other projections and indications previously given to the market.</li> </ul> <p><b>Trading Loss</b><br/>A trading loss for the Company for the half-year.</p> <p><b>Effect of Financial Reports on Profit and Business Plans</b><br/>Material consequential effect of the financial reports on profits or business plans, including, quarterly, half yearly, preliminary final and change of balance date reports.</p> |

| Indicative Events |  |
|-------------------|--|
| Operational       | <p><b>Major Incident</b><br/>A major incident that has a significant impact on the operations or performance of the Company.</p> <p><b>Change in Management or Key Personnel</b><br/>Change in the composition of the management or major change in the leadership of the Company or any of its subsidiaries (including the loss of key personnel), if the change could be price sensitive in the context of the Company.</p> <p><b>Board Composition</b><br/>A change in the Board or Company Secretary of the Company.</p> <p><b>Insolvency Event</b><br/>The appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries.</p> <p><b>Organisational Restructure</b><br/>A significant change in the organisational structure of the Company or any of its subsidiaries.</p> |

| Indicative Events             |   |
|-------------------------------|---|
| <b>Divestment/Acquisition</b> | <ul style="list-style-type: none"> <li>■ Making a decision on a significant divestment or acquisition (for example, a takeover) or another entity's decision to make a divestment or acquisition that will have or has an effect on the Company.</li> <li>■ Continuous disclosure would also be required throughout the divestment/acquisition process, including:                             <p><b>Takeover</b></p> <p>In the case of a takeover - giving or receiving a notice of intention to make a takeover. Information specified by the relevant stock exchange listing rules will also be required to be disclosed on an immediate basis.</p> <p><b>Negotiation/Due Diligence</b></p> <p>The fact that negotiations are taking place, or events during the negotiation process if a false market exists in relation to the divestment/acquisition and a stock exchange has requested that information be provided to correct or prevent the false market.</p> <p><b>Termination of Negotiations</b></p> <p>Termination of negotiations if the market has been advised that negotiations were taking place.</p> <p><b>Execution of Agreements</b></p> <p>The main terms of the agreement (regardless of whether the agreement contains confidentiality provisions), which include:</p> <ul style="list-style-type: none"> <li>■ Details of the business divested/acquired;</li> <li>■ Total consideration paid;</li> <li>■ Funding of the consideration;</li> <li>■ Expected impact on profits and revenues.</li> </ul> </li> </ul> |

#### 4.2 Internal Reporting

If you become aware of a matter which you consider may require disclosure under this policy you should immediately notify one of the following:

- Company Secretary;
- Director of Compliance; or
- Managing Director.



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## 5 Disclosure matters generally

### 5.1 Inform ASX first

The company will not release any information publicly that is required to be disclosed through ASX until the company has received formal confirmation of its release to the market by ASX, unless otherwise permitted by the ASX listing rules.

Information must not be given to the media before it is given to ASX, even on an embargo basis.

### 5.2 Speculation and rumours

Generally, the company will not respond to market speculation or rumours unless a response is required by law or ASX.

### 5.3 False market

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

### 5.4 Trading halts

If necessary, the executive chairman, managing director or company secretary may consider requesting a trading halt from ASX to ensure orderly trading in the company's securities and to manage disclosure issues.

### 5.5 Breaches

Failure to comply with this policy may lead to a breach of applicable legislation or with the ASX listing rules, which in turn may lead to personal penalties for directors and officers. Breaches of this policy may lead to disciplinary action being taken, including dismissal in serious cases.

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## 6 Market Communication

### 6.1 Communication of information

All information released to ASX will be posted on the Company website following an announcement being made to ASX. These announcements will be maintained on the website for at least one year.

Material price sensitive information will be posted as soon as reasonably practicable after its release to ASX.

Information may also be provided from time to time to the media on behalf of the Company but not before disclosure to ASX, even on an embargo basis.

### 6.2 Analyst and institutional investors

From time to time the Company may conduct briefings for analysts and institutional investors to discuss matters concerning the Company. Only the Executive Chairman, Managing Director, CFO or their delegated nominee, are authorised to speak with analysts and institutional investors.

In these cases the following protocols will apply:

- no information of the kind outlined in section 2 will be disclosed at these briefings unless it has been previously or is simultaneously released to the market;
- questions at briefings that deal with material price sensitive information not previously disclosed will not be answered; and
- any questions raised in relation to material price sensitive issues not already disclosed to the market will not be answered or will be taken on notice.

If a question is taken on notice and the answer would involve the release of material price sensitive information, the information must be released through ASX before responding.

At or after briefings, those officers who spoke at the briefings must consider the matters discussed at the briefings to ascertain whether any material price sensitive information was inadvertently disclosed. If so, paragraph 6.3 will apply.

The Company will place a copy of any presentation material on its website.

## **6.3 Inadvertent disclosure or mistaken non-disclosure**

If material price sensitive information is inadvertently disclosed or a director or employee becomes aware of information which should be disclosed, the Company Secretary must be immediately contacted so that appropriate action can be taken including, if required, announcing the information through ASX and then positing it on the Company's website.

## **6.4 Authorised Spokesperson**

Only the Managing Director, Executive Chairman or their delegated nominee, are authorised to make any public statement on behalf of, or attributable to, the Company or the Group.

## **6.5 Media relations and public statements**

Media relations and communications are the responsibility of the Investor Relations Manager. On major matters, the Managing Director or the Executive Chairman is generally the spokesperson, and on financial matters, the Managing Director or the CFO may generally speak.

Other officers or senior employees may be authorised by the Board to speak to the media on particular issues or matters.

Any inquiry that refers to market share, financials or any matter which the recipient considers may have a material effect on the price of the Company's securities must be referred to the Managing Director.

No information is to be given to the media on matters which are of general public interest or which may materially affect the price of the Company's securities without the approval of the Managing Director.

The guidelines outlined above are subject to any directions given by the Board, either generally or in a particular instance.

## 6.6 Review

The Company Secretary shall review this policy on an annual basis. Proposed amendments to the policy shall be reviewed and approved by the Board.

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## 7 Shareholder communication

### 7.1 Reports to shareholders

The Company produces half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, the ASX Listing Rules and applicable accounting standards. It seeks to give balanced and understandable information about the Company and its proposals in its reports to shareholders.

### 7.2 The Company's website

The Company's website contains information about the Company including shareholder communications, announcements made to the market and related information. Investor information will be posted in a separate section on the website from other material about the Company.

Relevant press releases, Company financial announcements and financial data (for the preceding three years), the Company's charters and policies will also be available on the Company's website.

The website also provides information for shareholders to direct inquiries to the Company.

### 7.3 Use of electronic communication and other technology

Shareholders may elect to receive information electronically on the Company's website. The Company will communicate by post with shareholders who have not elected to receive information electronically.

The Company may consider the use of other reliable technologies as they become widely available.

### 7.4 General meetings

General meetings are used to communicate with shareholders and allow an opportunity for informed shareholder participation. Shareholders are encouraged to attend or, if unable to attend, to vote on the motions proposed by appointing a proxy or using any other means included in the notice of meeting. The Company conducts its general meetings in accordance with the Company's constitution, the Corporations Act and the ASX Listing Rules.

### 7.5 Notice of meetings

The Company seeks to ensure that the form, content and delivery of notices of general meetings will comply with the Company's constitution, the Corporations Act and the ASX Listing Rules. Notices of meeting and accompanying explanatory notes aim to clearly, concisely and accurately

set out the nature of the business to be considered at the meeting. The Company will place notices of general meetings and accompanying explanatory material on the Company's website.

## 7.6 Auditor to attend AGM

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

## 7.7 Shareholder privacy

The Company recognises that privacy is important and will not disclose registered shareholder details unless required by law. Shareholder details will only be used in accordance with applicable privacy laws.

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## 8 Review and publication of this policy

The Company Secretary will review this policy from time to time in accordance with clause 6.6 and report to the Board any changes he considers should be made. This policy may be amended by resolution of the Board.

This policy is available on the Company's website and the key features are published in the annual report.

**Approved by the Board on 26 October 2010.**