



Pinnacle Investment Management Group Limited

Continuous Disclosure Policy

Document Information

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Document Control

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Updated by	Company Secretary
Date of Signoff	26 September 2016

DEFINITIONS

ASX	means ASX Limited
Boutiques	means the various affiliated investment management firms in which the Company holds a minority interest
Company	Pinnacle Investment Management Group Limited ACN 100 325 148
Corporations Act	means <i>Corporations Act (Cth)</i> 2001 as in force from time to time
Group	means the Company and its wholly owned subsidiaries
Group Disclosure Officer	are the individuals listed in paragraph 17
Group Market Disclosure Officers	are the individuals listed in paragraph 27
Listing Rules	means the ASX listing rules published and distributed by the ASX
Market Sensitive Information	is information that must be notified to the ASX in accordance with sections 674 to 677 Corporations Act and Listing Rule 3.1 as described in paragraph 5

INTRODUCTION

1. The Company is committed to:
 - (a) the promotion of investor confidence by ensuring that trading in its securities takes place in an informed market and that all investors have equal opportunity to receive Market Sensitive Information;
 - (b) preventing the improper disclosure of Market Sensitive Information;
 - (c) ensuring that investors and the market receives full and timely information about the Group's activities.
2. This policy applies to all directors, senior management and employees of the Group. This policy does not apply to the Boutiques, however at least one Group Disclosure Officer is a director and/or officer of each Boutique. This policy was formally adopted by the Company's board on 26 September 2016.
3. This policy sets out the key obligations of the Group, including the responsibilities of the board, senior management and employees of the Group, to ensure that the Group complies with its continuous disclosure obligations under the Listing Rules and the Corporations Act. In complying with those obligations, the Group will have regard to the spirit and substance of the law and will have regard to Guidance Note No. 8 published by the ASX.

4. A breach of the law relating to continuous disclosure can have serious consequences, including criminal and civil liability, for the Company and for an individual. A breach of this policy may lead to disciplinary action, which may include termination of employment.

THE GROUP'S CONTINUOUS DISCLOSURE OBLIGATIONS

5. Subject to the prescribed exceptions set out at paragraph 11 below, once the Group is or becomes aware of Market Sensitive Information, the Group must **immediately** tell ASX that information. **Market Sensitive Information** is information that a reasonable person would expect to have a material effect on the price or value of the Company's securities and would, or be likely to, influence persons who commonly invest in securities in deciding whether to buy or sell those securities. The test is an objective one and the fact that the Group may honestly believe that the information is not Market Sensitive will not avoid a breach of the Listing Rules if that view is ultimately found to be incorrect. Rather, regard should be had to the following two questions:
 - (a) would the information I possess influence my decision to buy or sell shares in the Company ?;
 - (b) with the information I possess, would I feel exposed to an action for insider trading if I were to buy or sell the Company's securities at the current market price ?
6. **Immediately** means acting as quickly as possible in the circumstances and without deferring, postponing or putting it off to a later time. The information must not be withheld and then released at a time which the Group thinks is most advantageous.
7. Market Sensitive Information may include matters of pure fact, as well as matters of opinion and intention. It is not limited to information sourced from the Company, nor to matters that are financial in nature.
8. The Group is considered to become aware of information when one of its employees comes into possession of the information in the course of performing their duties *or* when the information ought reasonably to have come to the attention of the employee.
9. Where the Company has an obligation to make an announcement to the market, the information must not be given to anyone else until it has been given to the ASX and the Company has received confirmation from the ASX that the announcement has been released. This includes releasing the information to the media or to analysts, even on an embargoed basis.
10. **Annexure A** sets out a continuous disclosure decision tree.

EXCEPTIONS TO THE GROUP'S CONTINUOUS DISCLOSURE OBLIGATIONS

11. Disclosure is not required where the 3 conditions set out below (being the exceptions in Listing Rule 3.1A) are all satisfied:
 - (a) the information falls within one or more of the following situations :
 - (i) it would be a breach of 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 Group; or
 - (v) the information is a trade secret; **and**
 - (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
 - (c) a reasonable person would not expect the information to be disclosed.
12. The Company will ensure that it puts suitable arrangements in place to preserve confidentiality when relying on the exception under Listing Rule 3.1A and will monitor the effectiveness of those arrangements.

DISCLOSURE OF MARKET SENSITIVE INFORMATION

General approach

13. The Group will take a principles based approach to disclosure to meet both the letter and spirit of the continuous disclosure regime, with a focus on substance over form. Information to be released to the market will be factual, not omit any material information and be expressed in an objective and clear manner.

Responsibility for disclosure

14. The board is ultimately responsible for the Group's compliance with continuous disclosure obligations and has specific responsibility for disclosures in relation to the following matters:
 - (a) financial results;
 - (b) dividends;
 - (c) profit outlooks, including a material upgrade or downgrade to the Group's expected results;
 - (d) a material change to a Boutique which the board considers to be Market Sensitive Information;

- (e) resignations and appointments of directors and key personnel;
- (f) material changes to employment, service and consultancy agreements with the Managing Director and any Director; and
- (g) key strategic decisions.

Group Disclosure Officers

15. In relation to all other matters, the board has delegated responsibility in relation to the disclosure of Material Sensitive Information to the ASX to the Group Disclosure Officers.
16. Where it is not practicable or time does not allow for the board's approval to be sought, any two of the Group Disclosure Officers, acting jointly, are authorised by the board to approve disclosures to the ASX in relation to all matters (including the form and content of such an announcement), other than those specifically reserved for the board's approval as set out in paragraph 14 above.
17. The board has appointed the following officers, or their delegates, as Group Disclosure Officers under this policy:
 - (a) Managing Director;
 - (b) Chief Financial Officer;
 - (c) Chief Operating Officer; and
 - (d) Company Secretary and General Counsel.
18. The Group Disclosure Officers are collectively responsible for:
 - (a) actively monitoring whether there is any information that may need to be disclosed to the market (including whether any information has been inadvertently or selectively disclosed);
 - (b) actively monitoring the status of any matter that may require disclosure under Listing Rule 3.1;
 - (c) determining the point in time at which the Group is required to disclose Market Sensitive Information to the market, once the Group becomes aware of potentially Market Sensitive Information. This will include considering whether the exceptions to the Listing Rules apply, and where an exception is considered to apply, monitoring media and other sources for any signs that information is no longer confidential; and
 - (d) approving the disclosure of information to the ASX (including the form and content of such an announcement) or recommending to the Chairman of the board that a board meeting be convened to consider the matter.

19. The Group has also appointed the Company Secretary as the primary person responsible for communications with the ASX in relation to Listing Rule matters. The Company Secretary is responsible for:
- (a) all communications with ASX, including the coordination of the ASX lodgement process;
 - (b) making relevant employees aware of the Group's continuous disclosure obligations; and
 - (c) developing and maintaining internal guidelines for promoting an understanding of compliance with this policy by the Group and its employees.

DISCLOSURE PROCESS

Responsibilities of all employees of the Group

20. Where an employee becomes aware of information which is potentially Market Sensitive Information, the employee must immediately inform a Group Disclosure Officer of this information.

Process for assessing information and approving announcements

21. The following procedures are to be followed when any information concerning the Group that is potentially Market Sensitive Information is being considered for disclosure to the ASX:
- (a) The Group Disclosure Officer who receives the information will consider it in consultation with the one or more of the other Group Disclosure Officers (and where appropriate, the Chairman, who will bring the information to the attention of the board) to determine whether or not the Group's continuous disclosure obligations require the information to be disclosed to the ASX;
 - (b) If the Group Disclosure Officers or the board (where appropriate) determine that information is Market Sensitive Information, the Company Secretary will immediately disclose the information to the ASX when the information becomes disclosable, or will request a trading halt if no immediate disclosure can be made. Where information is not currently disclosable, the Group Disclosure Officers must monitor the situation and ensure that the information is disclosed if it later becomes appropriate in order to meet the Group's continuous disclosure obligations;
 - (c) Where a matter is reserved for the board's approval, or where the Group Disclosure Officers refer a matter to the board for approval, the board's approval will be sought, provided it is feasible to do so having regard to the Group's continuous disclosure obligations. In an emergency situation, the process set out in paragraph 22 below should be followed;
 - (d) Once the Company Secretary receives formal confirmation of the release of an announcement by the ASX, the Company Secretary will confirm the announcement's release to the board and the other Group Disclosure

Officers. The Company Secretary must maintain a record of all market disclosures;

- (e) All announcements to the ASX are made available to investors on the Group's website as soon as practicable following confirmation of release of the announcement by the ASX.
22. In an emergency situation, where board approval of an announcement is required but it is not practical to hold a board meeting to consider the issue, the Group Disclosure Officers may approve the announcement, provided that approval is also received from:
- (a) the Chairman; or
 - (b) if the Chairman is not immediately available, the chairperson of any board committee; or
 - (c) if the Chairman and committee chairpersons are not immediately available, any other Non-executive Director.

No disclosure of market sensitive information prior to release to market

23. The Group will not disclose Market Sensitive Information at any briefing to investors, analysts or the media, including in response to any question raised at a briefing, before formally disclosing this information to the ASX in accordance with this policy.
24. The Group will not expressly or implicitly provide investors, analysts or the media with forecast profit guidance, unless that information has been disclosed to the ASX in accordance with this policy.
25. All presentation material to be provided at a briefing to investors and/or analysts, or provided during a local or overseas roadshow, will be lodged with the ASX prior to the briefing.
26. The Group will not disclose Market Sensitive Information publicly (for example, to journalists) under an embargo arrangement in any circumstances.

COMMUNICATIONS WITH INVESTORS AND ANALYSTS

27. The board has authorised the:
- (a) Chairman; and
 - (b) Managing Director
- as **Group Market Disclosure Officers** to represent the Group in all communications with investors and analysts.
28. No other Group employees are authorised to communicate with investors or analysts on behalf of the Group unless the prior approval of a Group Market Disclosure Officer to make that particular communication is obtained.

29. The Group Market Disclosure Officers may clarify information that the Group has publicly released to the ASX, but must not make additional disclosures of information that would be likely to have a material effect on the price of value of its securities, unless the information has been disclosed to the ASX in accordance with this policy and any relevant internal guidelines developed by the Group Disclosure Officers.
30. The Group views briefings with investors and asset consultants as important parts of a pro-active investor relations strategy. At these briefings, the Group will only discuss:
 - (a) the Group's historical financial results;
 - (b) the Group's outlook, long term strategy, vision and goals (as previously disclosed to the ASX);
 - (c) the Group's management philosophy and competitive advantage (as previously disclosed to the ASX); and
 - (d) industry trends and issues.

MEDIA MONITORING

31. Where there is any unusual or unexpected media coverage or unusual changes in the price of the Company's securities, a Group Disclosure Officer will report this through to their fellow Group Disclosure Officers and the board for their collective review and to consider the necessity for an announcement and/or trading halt.

PREVENTION OF A FALSE MARKET

32. As a general rule, the Group will not comment on rumours or speculation, including market rumours or media (including social media) speculation, except where there is a false market.
33. The Group acknowledges that, from time to time, it may be necessary to provide information to the ASX if the ASX considers that there is or is likely to be a false market in relation to the Company's securities following a reasonably specific and reasonably accurate rumour or media comments.
34. Where the Group receives an inquiry from the ASX, the Company Secretary will consider the need for a trading halt request and where possible, resolve the matter informally with the ASX.
35. Where the ASX makes a formal request for information to correct or prevent the false market, the Group will immediately give the ASX the information it requests to correct or prevent the false market, or seek a trading halt if it is not in a position to make an immediate announcement.

ANALYST REPORTS & PROFIT FORECASTS

36. The Chief Financial Officer is responsible for monitoring the:
- (a) Group's expected results compared to its published earnings guidance; and
 - (b) general range of analysts' forecast earnings relative to the Group's own internal forecasts and its published earnings guidance (if any).

37. Where the Group becomes aware of a potentially material divergence between the market's expectations of its earnings and:

- (a) its own earnings forecasts or published earnings guidance; or
- (b) (where there is no forecast or published guidance) its earnings results for the prior corresponding reporting period;

the Chief Financial Officer must report this to the Managing Director and the Company Secretary. The Group Disclosure Officers will jointly consider what further action or disclosure may be required (which may include referral to the board for its consideration).

38. Where the Group becomes aware of a potentially material divergence between:

- (a) its expected results and any earnings guidance it has published; or
- (c) (where this is no published guidance) its expected results and its earnings results for the prior corresponding reporting period;

the Chief Financial Officer must report this to the Managing Director and the Company Secretary. As a general guide, an expected variation compared to previously published earnings guidance for the current reporting period equal to or greater than 10% will be treated as material, while an expected variation in earnings equal to or less than 5% will not be treated as material, except where there is evidence or convincing argument to the contrary. A variation of between 5% and 10% will be a matter of judgment having regard to all the relevant circumstances. The Group Disclosure Officers will immediately report the variation to the board for its determination of the further action to be taken.

39. It is the Group's policy that it will only comment on information contained in an analyst's report to the extent that the information:

- (a) has been publicly disclosed by the Group to the ASX or is otherwise in the public domain; and
- (b) contains factual inaccuracies on historical matters.

40. The Group will not endorse, or be seen to endorse, analyst reports or the information contained in the reports. This means that the Group will not:

- (a) externally distribute an individual analyst's projections or reports;

- (b) refer to an individual analyst's recommendations on the Group's websites unless also referring to all other recommendations from analysts who formally report on the Group; or
 - (c) comment on an individual analyst's recommendations or proprietary research.
41. The Group will have regard to the guidance contained in ASX Guidance Note No. 8 when deciding whether it is necessary to correct analysts' guidance or consensus estimates that are materially different from internal forecasts or projections.

TRADING HALTS

42. It may be necessary for the Group to request a trading halt from the ASX to prevent trading in its securities taking place on an uninformed basis, to correct or prevent a false market, or to otherwise manage the Group's disclosure obligations. These circumstances may include:
- (a) if it becomes aware of Market Sensitive Information which must be disclosed:
 - > during ASX trading hours and is not in a position to issue an announcement straight away; or
 - > outside ASX trading hours and anticipates that it will not be in a position to issue an announcement before trading next commences;
 - (b) where information has been leaked ahead of the Group making an announcement and the information is having, or is likely to have, a material effect on the price or value of its securities; or
 - (c) if ASX has formally requested for the Group to release information to correct or prevent a false market and the Group is not in the position to make an immediate announcement.
43. The Company Secretary is authorised to request a trading halt from the ASX following consultation with the other Group Disclosure Officers to the extent they are immediately available and with approval from:
- (a) the Chairman; or
 - (b) if the Chairman is not immediately available, the chairperson of any board committee; or
 - (c) if the Chairman and committee chairpersons are not immediately available, any other Non-executive Director.

POLICY BREACHES

44. The Group Disclosure Officers will monitor compliance with this policy and report any material or recurring breaches to the board. Where any employee is aware of any breach or potential breach of this policy, the employee must report it to a Group

Disclosure Officer. Any serious breaches should be reported immediately by the Group Disclosure Officers to the board.

REVIEW OF POLICY

45. The board should review this policy on an annual basis. The Company Secretary is responsible for co-ordinating this annual review.

PUBLICATION

46. This policy will be made available on our website www.pinnacleinvestment.com/shareholders-investor-centre/

Annexure A – Decision Making Tree

