



# **CONTINUOUS DISCLOSURE POLICY**

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## Document Control

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## CONTINUOUS DISCLOSURE POLICY

### 1. INTRODUCTION

#### 1.1 Introduction

This document sets out BSP Financial Group Limited (**BSP**)'s policy concerning continuous disclosure (**Policy**). The purpose of this Policy is to:

- (a) ensure that BSP's employees are aware of their obligations to disclose information in accordance with the continuous disclosure requirements of the listing rules of the Papua New Guinea Stock Exchange (**PNGX**) (**PNGX Listing Rules**) and the listing rules of the Australian Securities Exchange (**ASX**) (**ASX Listing Rules**);
- (b) set out the procedures for identifying and assessing information for disclosure to PNGX and ASX in accordance with BSP's continuous disclosure obligations;
- (c) set out the procedures designed to ensure BSP complies with its continuous disclosure obligations; and
- (d) set out the requirements for protecting confidential information of BSP from unauthorised disclosure.

#### 1.2 Commitment to disclosure

BSP are committed to:

- (a) complying with the disclosure requirements contained in the Papua New Guinea *Capital Markets Act 2015* (**Capital Markets Act**), the Australian *Corporations Act 2001* (Cth) (**Corporations Act**), the PNGX Listing Rules, the ASX Listing Rules and the rules of any other exchange or market in which BSP's securities are offered by ensuring that shareholders and the market are provided with full and timely information about BSP;
- (b) seeking to prevent the selective or inadvertent disclosure of material Market Sensitive Information (as defined in section 2.1 below); and
- (c) ensuring that all of BSP's shareholders and the market are provided with full, accurate and timely information about its activities as required by the PNGX Listing Rules and the ASX Listing Rules.

#### 1.3 Application of this Policy

The Policy applies to:

- (a) every Director in BSP from time to time (**Directors**);
- (b) senior executives of BSP and the Company Secretary of BSP (**Executive Employees**);
- (c) every employee of BSP, whether full or part time or casual (**Employees**); and
- (d) all contractors and consultants working for BSP (**Contractors**).

All Directors, Executive Employees, Employees and Contractors (each, **BSP Personnel**) must comply with this Policy.

#### **1.4 Policy review**

The Disclosure Officer (as defined in section 3.1 below), the Disclosure Committee (as defined in section 3.2 below) and the Board of Directors of BSP (**Board**) will review this policy annually to ensure it remains current and to determine whether it is effective in ensuring accurate and timely disclosure in accordance with BSP's disclosure obligations.

#### **1.5 Related policies**

This Policy should be read together with BSP's Securities Dealing Policy, BSP's Board Charter, BSP's Shareholder Communications Policy and BSP's Corporate Governance Principles.

### **2. DISCLOSURE OBLIGATIONS AND EXCEPTION**

#### **2.1 Continuous disclosure obligation**

BSP is listed on PNGX and ASX and must comply with the continuous disclosure obligations set out in the PNGX Listing Rules and the ASX Listing Rules.

The continuous disclosure obligations have the force of law under the Capital Markets Act and Corporations Act. In accordance with PNGX Listing Rule 3.1 and ASX Listing Rule 3.1, BSP is required to immediately notify PNGX and ASX if it becomes aware of any information concerning BSP that a reasonable person would expect to have a material effect on the price or value of BSP's securities.

The information that must be disclosed in accordance with PNGX Listing Rule 3.1 and ASX Listing Rule 3.1 is referred to in this policy as **Market Sensitive Information** (described at section 2.2 below).

#### **2.2 When is information market sensitive?**

Any information about BSP or the BSP Group which a reasonable person would expect to have a material effect on the price or value of BSP's securities is **Market Sensitive Information**.

This is an objective test. As a guide, ASX suggests that when determining whether information is market sensitive, it might be helpful to ask the following two questions:

- (a) "Would this information influence my decision to buy or sell BSP's securities at their current market price?"
- (b) "Would I feel exposed to an action for insider trading if I were to buy or sell BSP's securities at their current market price, knowing this information had not been disclosed to the market?"

#### **2.3 Examples of information to be disclosed**

It is not possible to exhaustively list the information which BSP must disclose. Some examples of information which may require disclosure includes:

- (a) a transaction that will lead to a significant change in the nature and scale of BSP's activities;
- (b) a material acquisition or disposal;

- (c) the entry into, variation or termination of a material agreement;
- (d) becoming a plaintiff or defendant in a material law suit;
- (e) the fact that BSP's earnings will be materially different from market expectations;
- (f) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- (g) under subscriptions or over subscriptions to an issue of securities;
- (h) giving or receiving a notice of intention to make a takeover; and
- (i) any rating applied by a rating agency to BSP or its securities and any change to such a rating.

Whether disclosure of these matters is required will need to be assessed having regard to the circumstances prevailing at the time.

#### **2.4 When is disclosure of market sensitive information required?**

If information is market sensitive, and the exception from immediate disclosure does not apply (see section 2.7 below), then the information must be **immediately** disclosed to PNGX and ASX.

PNGX and ASX interpret "*immediately*" to mean "*promptly and without delay*" (rather than "*instantaneously*"). This is a high standard. Notwithstanding this, PNGX and ASX recognise that the speed with which a notice can be given under ASX Listing Rule 3.1 and PNGX Listing Rule 3.1 will vary depending on the circumstances.

#### **2.5 When is BSP aware of information?**

BSP becomes aware of information if any BSP Personnel have, or ought reasonably to have, come into possession of the information while performing his or her duties for BSP.

#### **2.6 How is disclosure made?**

Disclosure is made by making an announcement to the market announcements platform on PNGX and ASX. To the extent possible, all announcements must be released to PNGX and ASX simultaneously.

#### **2.7 Exception to continuous disclosure obligation**

BSP does not need to disclose information while **each** of the following requirements is satisfied in relation to that particular information:

- (a) 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 internal management purposes of BSP; 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.

The obligation to disclose the information arises even in the event that only two of the above three requirements are satisfied.

The Chief Executive Officer of BSP (**CEO**) and/or the Chairman of the Board (**Chairman**), where appropriate, are responsible for determining whether any such exception applies. Even though an exception might apply, this does not qualify or change the obligation on each BSP Personnel to communicate or report material information under this Policy. All BSP Personnel must maintain and keep all material information strictly confidential until it is released to PNGX and ASX and becomes generally available.

## **2.8 Protecting confidential information**

Subject to its continuous disclosure obligations under the PNGX Listing Rules and the ASX Listing Rules, BSP will take all reasonable and practicable steps to safeguard the confidentiality of its corporate information to avoid premature disclosure.

In addition, it is acknowledged that if material information ceases to be confidential (for example, if it is reported or referred to in the media or appears on any information agency screens, or is discussed on social media platforms), BSP Personnel must inform the Disclosure Officer (as defined in section 3.1 below) immediately on becoming aware of that fact so as to allow BSP to comply with its continuous disclosure obligations.

## **3. DISCLOSURE RESPONSIBILITIES AND PROCEDURES**

### **3.1 Disclosure Officer**

The Board has appointed the Company Secretary of BSP (**Company Secretary**) or, in his or her absence, the Chief Risk Officer of BSP (**Chief Risk Officer**) as the disclosure officer (**Disclosure Officer**).

The Disclosure Officer is responsible for administering the Policy and, in particular:

- (a) receiving and recording all potential Market Sensitive Information concerning BSP;
- (b) presenting information to the Disclosure Committee or the Board (as applicable) for determination;
- (c) providing guidance to determine what constitutes material information under the Policy;
- (d) keeping the Board fully informed of any disclosure decisions made by the Disclosure Committee;
- (e) overseeing and coordinating all communication with PNGX, ASX, investors, analysts, brokers, shareholder associations, the media and the public;
- (f) overseeing that all announcements and trading halts have been approved in accordance with this Policy prior to lodgement with PNGX and ASX; and
- (g) overseeing and coordinating the disclosure training and education of all BSP's employees to ensure that they understand BSP's disclosure obligations and what information may be market sensitive.

The Disclosure Officers may delegate aspects of administering this Policy to other BSP Personnel. The delegation may be general or specific to a particular matter.

### **3.2 Responsibilities of the Disclosure Committee**

The Board will form a disclosure committee comprising the Chairman (or in his absence another Non-executive Director), the CEO, the Chief Financial Officer of BSP, the Chief Risk Officer and the Company Secretary (**Disclosure Committee**). The chairman of the Disclosure Committee is the most senior Director present.

The members of the Disclosure Committee may vary from time to time, but will consist of at least a Non-executive Director, two Executive Employees (not including the Company Secretary) and the Company Secretary.

The Disclosure Committee is responsible for, among other things:

- (a) approving the release of any announcement to PNGX and ASX, other than:
  - (i) an announcement that relates to a matter which is both material and strategically important, which will require approval by the Board; or
  - (ii) procedural matters such as notice of changes to equity securities or directors' holdings, which will require approval by the Disclosure Officer;
- (b) considering whether BSP is obliged or is required to respond to a market rumour or media speculation; and
- (c) overseeing the Disclosure Officer's administration of the Continuous Disclosure Policy.

A quorum of two members is required for the Disclosure Committee to make a disclosure decision, and such decision can be made by way of telephone conference or email without all members of the Disclosure Committee being present in one location.

If the Disclosure Committee is unavailable to make a disclosure decision, the Disclosure Officer must seek the approval of the CEO or such other Director or senior executive of BSP as may be nominated by the CEO from time to time as an alternate.

### **3.3 Obligations of BSP Personnel - Reporting to the Disclosure Officer**

It is the responsibility of every BSP Personnel to report any Market Sensitive Information that person has obtained.

BSP Personnel who become aware of Market Sensitive Information must immediately notify the Disclosure Officer and provide as much detail about the matter or information as is reasonable in the circumstances and a brief description of why the information does or may have a material effect on the price or value of BSP's securities. BSP Personnel should also inform the Disclosure Officer if they consider, or are aware of, any prior disclosure to PNGX or ASX which is inaccurate or incomplete.

If BSP Personnel are unsure whether information is Market Sensitive Information, they must immediately notify the Disclosure Officer. The Disclosure Officer (alone or in consultation with the Disclosure Committee) will determine whether the information reported is Market Sensitive Information. It may be necessary in some instances for the Disclosure Officer and the Disclosure Committee to consult with the Board in order to form a concluded view about BSP's disclosure obligations.



If the Disclosure Officer (alone or in consultation with the Disclosure Committee or the Board under clause 3.4) determines that information reported by a BSP Personnel is Market Sensitive Information, the Disclosure Officer will make an announcement to PNGX and ASX.

Once the Disclosure Officer has received a formal confirmation from PNGX and/or ASX that the announcement can be released to other parties, the Disclosure Officer, in accordance with the Shareholder Communications Policy, will ensure that significant announcements that have been made to PNGX and ASX are available on BSP's website as soon as practicable.

### **3.4 Market announcements - Disclosure of material information**

Any release to the market that relates to a matter which is both material and strategically important for BSP must be approved by the Board.

A copy of all material market announcements must be provided to the Board promptly after they have been made.

Any other release considered under this Policy which includes disclosure of a profit projection or forecast must be approved by the Board or the Disclosure Committee. All other directors will be notified of any proposed meeting of the Disclosure Committee and will be invited to attend and participate in the approval decision.

Except as described above, the CEO or (where appropriate) the Chairman has the authority to approve, and is accountable for, the disclosure of material information to the market.

### **3.5 Market speculation and rumours**

The Disclosure Officer may issue a statement on behalf of BSP in response to any rumours or market speculation concerning BSP including where PNGX or ASX has made a formal request to BSP to issue a statement.

If any BSP Personnel become aware of information that it based on speculation or rumour that may give rise to a false market in BSP's securities, that person should provide such information to the Disclosure Officer (with as much detail as is reasonable in the circumstances).

### **3.6 Trading Halts**

The Disclosure Officer, acting with the authority of the Board, is the only person authorised to request a trading halt.

## **4. COMMUNICATIONS WITH FINANCIAL MARKETS**

### **4.1 Analyst, investor and media briefings**

BSP regularly conducts briefings for analysts, investors and the media to discuss information that has been announced to the market.

A copy of all presentation materials for all new and substantive briefings to analysts, investors and media will be given to the ASX Announcements Platform ahead of the presentation.

BSP will not discuss or answer questions about Market Sensitive Information that has not been disclosed to PNGX and ASX.

If Market Sensitive Information is inadvertently disclosed during a briefing, BSP will

immediately release that information to PNGX and ASX and, in accordance with the Shareholder Communications Policy, will make such information available on BSP's website as soon as practicable.

All materials used in a briefing will be available on BSP's website as soon as practicable before the briefing starts.

#### **4.2 Analyst reports**

BSP is not responsible for, and does not endorse, any reports made by analysts about BSP.

#### **4.3 Chat rooms, blogs and social networking sites**

BSP Personnel must not participate in chat room discussions on the internet, or post information on a social networking or other internet site, where the subject matter relates to the business affairs of BSP, unless that person is authorised by the Disclosure Officer to do so, and that person only does so in accordance with the policy and procedures for analyst and investor briefings and the terms of the authorisation given to them.

### **5. FIJI CLASS SHARES**

The BSP subsidiary BSP Convertible Notes Ltd (a company incorporated in Fiji) (**BCNL**) issued Fiji Dollar denominated convertible notes in Fiji which converted to shares in BCNL that are listed on the South Pacific Stock Exchange (**SPSE**) (**Fiji Class Shares**).

All information required to be disclosed to PNGX and ASX will also be disclosed to SPSE no later than one business day after it is disclosed to PNGX and ASX.

### **6. COMPLIANCE**

All BSP Personnel must comply with this Policy.

Serious criminal and civil penalties apply for failure to comply with the continuous disclosure obligations, both for BSP and for individuals.

Any known or suspected instances of non-compliance will be reported to the Disclosure Officer for full investigation and appropriate disciplinary action.

Employees should be aware that breaches of this Policy may result in summary dismissal and may also attract civil penalties under the relevant laws of Papua New Guinea and Australia.

### **7. CONTACT**

Please contact the Company Secretary if you have any queries about this Policy.

Any guidance provided in or under this Policy does not affect individual responsibility.