

DISCLOSURE AND COMMUNICATION POLICY

Date: July 2021

1. INTRODUCTION

- 1.1. The Corporations Act 2001 (**Act**) and the Listing Rules of ASX (**Listing Rules**) require Kelly Partners Group Holdings Limited ACN 124 908 363 (**Company**), as a listed entity, to immediately disclose price sensitive information to the ASX, unless it is exempted from doing so by the Listing Rules.
- 1.2. The Disclosure and Communication Policy (**Policy**) is to support the Company's compliance with the regulatory framework regarding market disclosures, including the Act and the Listing Rules. This Policy supplements Parts 6.2 and 6.3 of the Company's Corporate Governance Policy.
- 1.3. This Policy applies to all employees, directors, officers and contractors of the Company and all its related entities as defined in the *Corporations Act 2001* (**Employees**).

2. PURPOSE

- 2.1. The Company is committed to the objective of promoting investor confidence and the rights of shareholders by:
 - a) complying with the continuous disclosure obligations imposed by law;
 - b) presenting company announcements in a factual, clear and balanced way;
 - c) providing all shareholders equal and timely access to material information concerning the company; and
 - d) communicating effectively with shareholders and making it easy for them to participate in general meetings.
- 2.2. This Policy outlines corporate governance measures adopted by the Company to further its commitment.

3. CONTINUOUS DISCLOSURE

- 3.1. The Company is listed on the ASX and must comply with the continuous disclosure obligations in the Listing Rule. These obligations have the force of law under the Act.
- 3.2. In accordance with Listing Rule 3.1, the Company is required to immediately¹ disclose to the market any Price Sensitive Information unless an exception under the Listing Rules applies (as described below).
- 3.3. Disclosure is made by making an announcement to the market announcements platform on ASX.

¹ Section 4.5 of Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1 to 3.1B issued by ASX, “immediately” means “promptly and without delay”

4. PRICE SENSITIVE INFORMATION

- 4.1. Price sensitive information (**Price Sensitive Information**) is information that:
- a) a reasonable person would expect will have “a material effect on the value or price” of securities; and
 - b) if the information were publicly available “would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of those securities”.
- 4.2. Price Sensitive Information includes, but is not limited to, information relating to a takeover bid or a merger, proposed acquisition or disposal of a material asset, material variations in earnings or profits from previously published forecasts, a material change to the business plan, loss of a material contract and major litigation.
- 4.3. ASX will generally apply the following materiality guidelines in assessing whether information was market sensitive:
- a) if the market price of a security has moved 5% or less: ASX generally regards this as confirmation that the information was not market sensitive;
 - b) if the market price of a security has moved 10% or more: ASX generally regards the information as market sensitive and will refer a potential breach to ASIC; or
 - c) if the market price of a security has moved between 5 and 10%: ASX has regard to various factors to determine whether the information was market sensitive, including the nature and significance of the information, and the market capitalisation of the entity.
- 4.4. These are guidelines only and may not apply in all circumstances. If in doubt as to whether information is material, that person should take a conservative view and report it to, or discuss it with, the CEO, the CFO and the Company Secretary.

5. DISCLOSURE EXCEPTIONS

- 5.1. The exceptions under Listing Rule 3.1A provide that disclosure under Listing Rule 3.1 is not required if each of the following is satisfied in relation to the information:
- a) one or more of the following conditions apply:
 - 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; and
 - b) the information is confidential and the 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.

- 5.2. All Employees must maintain and keep all material information strictly confidential until it is released to ASX and becomes generally available.

6. ADMINISTERING THE POLICY

- 6.1. This Policy will be administered by the Board and key personnel as follows:
- a) the Board will be involved in reviewing and approving significant ASX announcements and ensuring and monitoring compliance with this Policy;
 - b) the CEO and the CFO will be involved in reviewing information and determining whether it must be disclosed and whether it is a significant announcement requiring board approval;
 - c) the Company Secretary will be responsible for the overall administration of this Policy and all communications with ASX; and
 - d) all Employees will report any material price sensitive information to the CEO and the CFO and will observe the Company's no comments policy as set out below.

7. MARKET SENSITIVE ANNOUNCEMENTS

- 7.1. The market sensitivity indicator is intended to assist the ASX in forming a view on the market sensitivity of the announcement. To maintain consistency and integrity, before releasing the announcement, the ASX will review the indicators provided by the entity before making the final assessment as to whether the announcement is or is not market sensitive.
- 7.2. If the ASX determines that the announcement is likely to be market sensitive, the ASX will initiate a brief trading halt to allow the market to absorb and react to the information (if submitted during trading hours). If the ASX identifies concerns about the content of the announcement, it may defer the release of the announcement and contact KPG to discuss how those concerns might be addressed. This may result in the announcement being amended or withdrawn prior to release.
- 7.3. Market sensitive information is a short-hand expression referring to information of the type required to be disclosed under Listing Rule 3.1 (namely, information that a reasonable person would expect to have a material effect on the price or value of an entity's securities).
- 7.4. ASX adopts a 5%/10% materiality threshold in determining whether the announcement is market sensitive. ASX considers that entities in the ASX 300 or that normally have very stable or predictable earnings should consider applying a materiality threshold closer to 5%. For entities outside the ASX 300 that have relatively variable earnings, ASX considers it more appropriate to apply a materiality threshold of 10%.
- 7.5. Certain announcements are automatically classified as market sensitive by default and the sensitivity cannot be changed by the Company.

- 7.6. Draft ASX announcements which are submitted to the Board for review will include reference as to whether the ASX announcement is considered to be market sensitive and the relevant calculation and considerations which form the basis to which the conclusion was reached.
- 7.7. Generally, the Company will adopt a materiality threshold of 10% in determining whether an announcement is market sensitive.

8. MARKET COMMUNICATION

- 8.1. The Company will post on its website relevant announcements made to the market and related information after they have been released to ASX following receipt of confirmation from ASX. Material price sensitive information will be posted as soon as reasonably practicable after its release to ASX. All ASX announcements are available to shareholders in the “Investor Centre” section of the Company website and under the “company announcements” section of the ASX website. The Company will not release any information requiring disclosure until the Company has received formal confirmation of its release to the market by ASX.
- 8.2. As part of the Company's management of investor relations it may conduct briefings with analysts or investors from time to time. However, the Company's policy for conducting these briefings will be to make sure that no material price sensitive information is announced prior to it being announced to the market. Only the CEO and the CFO or approved representatives of the Company are authorised to speak with analysts and institutional investors.

9. SHAREHOLDER COMMUNICATION

- 9.1. The Company produces half yearly and yearly financial reports and an annual report in accordance with the Act, the 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. The Company's annual report will be available on its website and be provided to shareholders as required under the Act.
- 9.2. The Company's AGM provides an important opportunity for shareholders to express their views to the Company's Board and management. Shareholders are encouraged to attend the AGM or, if unable to attend, to vote on the motions proposed by appointing a proxy or by any other means included in the notice of AGM.
- 9.3. The Company adopts the shareholder communications strategy as outlined in its Corporate Governance Policy.

10. NO COMMENT POLICY

- 10.1. The Company has a “no comment” policy in relation to any market speculation or rumours which must be observed by all Employees at all times. The Company may issue an announcement in response to a market speculation or rumour where it is necessary to do so to eliminate the possibility of a false market or contravention of the Listing Rules.
- 10.2. Generally, the Company does not respond to market speculation or rumours unless a response is required by law or the ASX. If the ASX consider that there is, or is likely to be, a false market in the Company’s securities and asks the Company to provide information to correct or prevent a false market, the Company will give the ASX the information needed to prevent the false market. The exceptions in Listing Rule 3.1A do not apply to requests from the ASX for information.
- 10.3. Where an Employees is approached by the media, any analysts or other external parties with respect to providing any information about the Company, the “no comment” policy must be observed and the Employees will notify the CEO and the CFO as soon as possible of such approach.

11. MEDIA RELATIONS AND PUBLIC STATEMENTS

- 11.1. Media relations and communications are to be carried out in accordance with the Corporate Governance Policy. On major matters, the CEO is generally the spokesperson.
- 11.2. Any inquiry that refers to market share, financials or any matter which the recipient considers may be price sensitive must be referred to the CEO.
- 11.3. No information is to be given to the media on matters which may be price sensitive without the approval of the CEO.

12. SOCIAL MEDIA POLICY

- 12.1. The Company recognises that social media is increasingly important as a communication channel and that this involves both opportunities and risks for the Company. The Company has a social media policy which applies to all Employees to facilitate the effective use and monitoring of this media.

13. TRADING HALT

- 13.1. It may be necessary for the Company Secretary to request a trading halt from ASX to ensure that orderly trading in the Company’s securities is maintained and to manage disclosure issues. The CEO is responsible for determining whether a trading halt is required (unless the CEO refers the decision to the Board).

14. CONTRAVENTION OF POLICY

- 14.1. Non-compliance with the continuous disclosure obligations may constitute a breach of the Act and 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. The Company takes continuous disclosure very seriously and will not tolerate any deviation from this Policy by any Employees and will take disciplinary action against any Employees where a contravention arises. Disciplinary action may include dismissal.

15. REVIEW & PUBLICATION

- 15.1. The Company Secretary will regularly review this Policy in light of legislative changes or other developments and will monitor and report to the Board on the effectiveness of this Policy in light of the ASX Recommendations. The Board may, in its discretion, adjust or exclude a specific requirement of this policy from time to time, either generally or on a case by case basis. This Policy may be amended, ceased or replaced by resolution of the Board.