

## Factor Therapeutics Limited

### Disclosure Policy

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Adopted by the Board on 28 June 2016

#### 1. Introduction

##### 1.1 Commitment to Disclosure

Factor is committed to the objective of promoting investor confidence and the rights of shareholders by:

- a) complying with the continuous disclosure obligations contained in the Corporations Act and the ASX Listing Rules by ensuring that shareholders and the market are provided with full and timely information about the Company;
- b) ensuring that all disclosures are presented in a factual, clear and balanced way;
- c) ensuring that all shareholders have equal opportunity and timely access to material information concerning the Company; and
- d) communicating effectively with shareholders.

##### 1.2 Purpose

This Policy outlines corporate governance measures adopted by Factor to further these commitments. It seeks to incorporate and reflect:

- a) the disclosure obligations contained in the ASX Listing Rules;
- b) the principles in Guidance Note 8 issued by ASX; and
- c) ASX Corporate Governance Principle and Recommendation Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of securities holders)

##### 1.3 Who this policy applies to

This policy applies to directors, officers, employees and consultants of Factor.

#### 2. Continuous Disclosure Obligation

##### 2.1 What is continuous disclosure obligation

Factor is an ASX listed company and must comply with the continuous disclosure obligations under ASX Listing Rules and the Corporations Act.

Chapter 3 of the ASX Listing Rules deals with the continuous disclosure requirements that an ASX listed company must satisfy. In particular, Listing Rule 3.1 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 of that information.

##### 2.2 Market sensitive information

Market sensitive information is information concerning Factor that a reasonable person would expect to have a material effect on the price or value of Factor securities. A reasonable person will be taken to have that expectation if the information would, or would be likely to, influence persons in deciding whether to acquire or dispose of Factor securities.

In assessing whether information is market sensitive information, the information needs to be considered in context, rather than in isolation. Such consideration should include:

- a) the circumstances affecting the entity at the time;
- b) any external information that is publicly available at the time; and
- c) any information that Factor has previously disclosed to the market.

### **2.3 When does Factor become aware of information?**

The ASX Listing Rules state that Factor becomes aware of the information if, and as soon as, an Officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an Officer of Factor.

### **2.4 The meaning of “immediately”**

Under ASX Listing Rule 3.1, market sensitive information must be disclosed to ASX immediately upon Factor becoming aware of the information, unless it falls within the carve-outs from disclosure in Listing Rule 3.1A. “Immediately” means “promptly and without delay”. Doing something “promptly and without delay” means doing it as quickly as it can be done in the circumstances (acting promptly) and not deferring, postponing or putting it off to a later time (acting without delay).

### **2.5 Exception**

Under ASX Listing Rule 3.1A, disclosure of information is not required if each of the following is satisfied:

- 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 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 a view that the information has ceased to be confidential; and
- c) a reasonable person would not expect the information to be disclosed.

## **3. Roles and Responsibilities**

### **3.1 Board of Directors**

The Board is responsible for ensuring the Company complies with its continuous disclosure obligations, and is responsible for implementing and overseeing this Policy.

The Board is responsible for approving any announcement to be released to ASX that is of such significance that it requires approval by the Board before being released.

### **3.2 Company Secretary**

Subject to paragraph 3.1, the Company Secretary shall be responsible for:

- a) ensuring Factor complies with its continuous disclosure obligations;
- b) communicating with ASX in relation to Listing Rule matters including lodging disclosures with ASX;
- c) ensuring a discussion regarding continuous disclosure at the Board meeting as a standing agenda;

- d) overseeing and co-ordinating disclosure of information to ASX, shareholders, analyst, brokers, media and the public; and
- e) educating officers on Factor's Disclosure Policy and raising awareness of the principles underlying continuous disclosure.

### 3.3 Other employees

All Company employees have a duty to keep the Company's confidential information secret and confidential and not to disclose it except as permitted by the Company or as required by law. All employees must only use the Company's confidential information for the purpose of their employment by the Company.

For the purpose of the ASX Listing Rules, information is confidential if:

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

## 4. Disclosure matters generally

### 4.1 Inform ASX first

Under ASX Listing Rule 15.7, Factor must not release any information publicly that is required to be disclosed to ASX under Listing Rule 3.1, unless and until it has been given to ASX and Factor has received an acknowledgment from ASX that the information has been released to the market.

This includes releasing the information to the media or to analyst, even on an embargoed basis.

### 4.2 False market

False market refers to a situation where there is material misinformation or materially incomplete information in the market, which is compromising proper price discovery. This may arise, for example, where:

- a) Factor has made a false or misleading announcement;
- b) there is other false or misleading information, including a false rumour, circulating in the market; or
- c) a segment of the market is trading on the basis of market sensitive information that is not available to the market as whole.

ASX does not expect Factor to respond to every comment or rumour made in the media, in particular where a report/rumour appears to be mere supposition or idle speculation; or simply confirms a matter that is generally understood by the market. However, where a rumour appears to contain or to be based on credible market sensitive information, then ASX require Factor to respond to the market in a timely manner.

### 4.3 Trading halts and voluntary suspension

If necessary, The Board may consider and request a trading halt or, in exceptional case, a voluntary suspension, from ASX to prevent trading in Factor securities on an uninformed basis and to manage disclosure issues. It will be especially relevant to consider a trading halt where the market is trading and Factor is not in a position to give an announcement to ASX promptly and without delay, or where the market is not trading but Factor will not be able to give an announcement to ASX prior to trading next resuming. Specific circumstances could include:

- a) if Factor considers that an announcement is so significant and a Board meeting is not able to be convened promptly and without delay;
- b) if confidential information about Factor has leaked or is inadvertently made public, to enable it to prepare an appropriate announcement to the market;

- c) if ASX has requested that Factor provide information to correct or prevent a false market, to enable it to prepare an appropriate announcement to the market; or
- d) to prevent an uninformed market pending announcement of a material matter.

## 5. Procedures

### 5.1 Potentially disclosable information

- a) any director or employee of Factor or its subsidiaries who becomes aware of any information concerning Factor that may be covered by paragraph 2.2 above and has not been previously released by the Company to ASX, shall immediately provide such information to the Company Secretary;
- b) matters of strategic and/or operational importance that are likely to influence an investment decision may, depending on the circumstances, be considered market sensitive information which should be released to the market;
- c) disclosure issues will be a standing agenda item at the meetings of Board of Directors. All potential matters for disclosure should be brought to the attention of the Company Secretary. All matters disclosed to ASX since the last Board meeting will also be noted;
- d) decisions regarding whether information should be released to the market shall be made by the CEO after consultation with the Chairman or other directors

### 5.2 Communication of information

Factor has put in place the following procedures:

- a) all information that would be expected to have a material effect on the price or value of Factor's securities require the approval of the Chairman and will be released by the Company Secretary;
- b) disclosures and announcements should be reviewed prior to disclosure to ensure that they are factual, complete, balanced and clearly expressed;
- c) if an employee becomes aware of an inadvertent disclosure of market sensitive information (which has not been disclosed to the ASX) or that confidential Company information may have been leaked, he or she should immediately notify the Company Secretary.

## 6. Market Communication

### 6.1 Market releases

Factor posts on its website relevant market releases and related information, including presentations to be used in investor or analyst briefings, after this information has been released to ASX following receipt of confirmation from ASX.

### 6.2 Institutional investors and stockbroking analyst

In addition to the ASX announcements, directors of Factor interact regularly with the market in a variety of ways, including results briefing, market announcements, one-on-one briefings, and meetings.

Generally price sensitive information must not be communicated to an external party unless it has previously been disclosed to the market.

All slides and presentation materials used in briefings with institutional investors and analyst are released to the ASX prior to the briefing.

### **6.3 Authorised spokespersons**

Factor has authorised spokespersons to speak on behalf of the Company to institutional investors and stockbroking analyst. The authorised spokespersons that have been appointed are the Chairman, Executive Director and CEO.

### **6.4 Blackout periods**

To protect against inadvertent disclosure of market sensitive information, during the time between half-year or end of financial year and the reporting of actual results, Factor will not meet or communicate with analyst, investors or their advisers without the prior approval from the Chairman or CEO. If such approval is provided, the communication will be limited to the subject matter of that ASX release.

## **7. Media Relations**

### **7.1 Authorised spokespersons**

The Chairman, Executive Director and CEO are the appointed spokesperson for communicating with the media. Other officers or senior executives may be authorised by the Board or the CEO to speak to the media on particular issues or matters. These authorised spokespersons are prohibited from disclosing or commenting on any price sensitive information unless it has been previously disclosed to the market.

### **7.2 Inquiries and requests for information**

Any media enquiries and requests for information are referred to the CEO, Executive Director and/or the Chairman.

## **8. Shareholder communication**

### **8.1 Reports to shareholders**

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

### **8.2 Website**

Factor's website contains information about Factor, including shareholder communications, market releases and related information.

Relevant media releases, financial data and corporate governance documents and policies are also available on Factor's website.

### **8.3 Use of electronic communication and other technology**

Shareholders may elect to receive information by post rather than electronically. Factor will communicate electronically with shareholders who have not elected to receive information by post.

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

### **8.4 Shareholder privacy**

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

### **8.5 Share registry**

Shareholders are able to access information relevant to their holding via the Company's share registry website, [www.link.com.au](http://www.link.com.au). Shareholders who do not have access to the internet should contact the Company's share registry,

Link Registry, with any enquiries relating to their shareholding or alternatively contact the Company Secretary on 07 3334 3900.

### **8.6 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 resolutions proposed by appointing a proxy or using any other means included in the notice of meeting.

Shareholders are also encouraged to supply, prior to the general meetings, any questions so that these can be addressed at the meeting.

The chairman's address (and any address by the Executive Director and/or CEO) will be released to the market immediately prior to the commencement of the general meetings.

### **9. Breaches of this Policy**

Employees and directors are expected to strictly comply with this Policy and breaches will be subject to disciplinary action, up to and including dismissal.

### **10. Review and Publication of this Policy**

The Board will at least annually review this policy. This policy may be amended by resolution of the Board.

This policy will be made available to all directors and employees via Factor's website. It is the responsibility of each such person to comply with this policy.