

# Cabcharge Australia Limited

*Last Updated: June 2012*

**CONTINUOUS  
DISCLOSURE  
(ASX LISTING  
RULE 3.1)  
POLICY**

## **1. PURPOSE**

Cabcharge Australia Limited (Cabcharge) is a company listed on the Australian Stock Exchange (ASX) and is required to meet the requirements of the Corporations Act 2001 and ASX Listing Rule 3.1 (Continuous Disclosure) to keep the market informed of material events as they occur.

Pursuant to ASX Listing Rule 3.1, Cabcharge has an obligation to ensure that material information is released to the ASX immediately after it becomes known.

This Policy sets out the obligations of Cabcharge's Directors, CEO, CFO and Company Secretary in ensuring that all material information is promptly released to the ASX as required by Listing Rule 3.1 and the Corporations Act.

This Policy provides guidance on the type of information that must be disclosed and the procedures for internal notification and external disclosure. This Policy also details the procedures for promoting understanding of compliance with the disclosure requirements and the procedures for monitoring compliance.

## **2. OBLIGATIONS OF DIRECTORS AND STAFF**

If any member of staff becomes aware of any material information about Cabcharge then they must immediately report the matter to their manager. If the manager of the particular division is unavailable, the matter must be reported to the Company Secretary. The division manager or Company Secretary must in turn report the matter to the CEO. If any Director or the Company Secretary becomes aware of any material information they should report the matter to the Chairman.

## **3. LISTING RULE 3.1**

Listing Rule 3.1 provides:

"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 that information."

Section 674 of the Corporations Act 2001 provides for criminal and civil penalties to be applied to people involved in a breach of Listing Rule 3.1.

The requirement to disclose material information does not apply if, and only if, each of the following conditions is and remains satisfied:

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

Even if all the elements of the above exception apply, Cabcharge may have to provide information to ASX to correct or prevent a false market if it is considered that there has or is likely to be a false market created.

#### **4. HOW CABCHARGE BECOMES AWARE OF INFORMATION**

Cabcharge bears the onus of complying with Listing Rule 3.1. Cabcharge will be deemed to have become aware of information when a Director or executive officer has, or ought reasonably to have, come into possession of the information in the course of performance of their duties as a Director or executive officer of Cabcharge. A Director or member of the senior management team who ought reasonably to have come into possession of potentially relevant information should bring this information to the attention of the appropriate officer.

#### **5. MATERIALITY OF THE INFORMATION**

If a reasonable person would expect the information to have a material effect on the price or value of Cabcharge shares then the information is deemed to be material.

The type of information which may have a material effect on the Cabcharge share price is not defined by the ASX or the Corporations Act however a monetary test is usually applied in defining whether the information will have a material effect.

Other considerations are also taken into account, these being:

- whether Cabcharge's reputation will suffer as a result of the information;
- whether Cabcharge will be able to carry on its business in the same manner that it has in the past carried on its business; and
- whether the information involves a breach of any relevant law or regulation.

#### **6. EXAMPLES OF INFORMATION THAT SHOULD BE DISCLOSED**

- A material increase or decrease in Cabcharge's financial forecast or expectation;
- An agreement for a transaction or a transaction where the consideration payable or receivable represents a significant proportion of the written down value of Cabcharge's consolidated assets (5% should be used as a guide);
- A declaration of a dividend or distribution;
- A decision that a dividend or distribution will not be declared;

- An agreement between Cabcharge and a Director;
- A change in accounting policies which will result in a material effect on Cabcharge's financial results or position;
- A change in or proposal to change Cabcharge's auditor;
- Giving or receiving a notice of intention to make a takeover;
- The appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by Cabcharge or any of its subsidiaries.

## **7. RELATIONSHIP WITH THIRD PARTIES**

If a false market has been created then Cabcharge may need to make a disclosure to correct or prevent the false market. The Company Secretary will monitor media, institutional investors, analysts and any other third parties to detect any matter that may require Cabcharge to consider whether disclosure is warranted.

Any such information shall be provided to the CEO and Chairman for evaluation and, if necessary, release.

## **8. BOARD CONSIDERATION OF DISCLOSURE**

The Cabcharge Board will consider if any item on the agenda of any meeting or arising out of general business gives rise to information that should be considered for disclosure.

## **9. EDUCATION AND MONITORING COMPLIANCE**

Every Cabcharge employee will be provided with access to a copy of this document. If any changes are made to the Continuous Disclosure requirements of either the ASX Listing Rules or the Corporations Act all staff and Directors will be notified.

## **10. CONCLUSION**

The continuous disclosure regime is onerous and requires constant thought and attention by all staff and Directors. All staff members and Directors should consider the need for disclosure of any matter where a member of staff or Director is of the opinion that such information may be required to be disclosed to the ASX.