

Continuous Disclosure Policy

1. CONTINUOUS DISCLOSURE POLICY AND PRESS RELEASES

- 1.1 The Company is required under the NZX Limited Main Board Listing Rules (LR 10.1) to notify the market of any information concerning the Company that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price or value of shares in the Company ("Material Information") unless the exception to LR 10.1 applies (described in paragraph 2.1 below).
- 1.2 Examples of events that may constitute Material Information for the Company include:
- a. the introduction of a new product or service where it has the potential to add significant value to the Company;
 - b. material changes in the forecasted or expected financial performance of the Company;
 - c. the sale or acquisition of assets related to the Company's activities;
 - d. entry by the Company into a major agreement e.g. a licence agreement or national provider network agreement or the termination of such agreements;
 - e. a possible change in the strategic direction of the Company;
 - f. sizeable capital raising;
 - g. the appointment or resignation of a director or senior manager of the Company, for example the CEO or CFO;
 - h. a material legal claim by or against the Company;
 - i. the establishment of a new laboratory;
 - j. any major laboratory accreditation;
 - k. the issue, sale or acquisition of a patent in any of the Company's primary jurisdictions that is expected to add significant value to the Company; and
 - l. any new growth or commercial opportunities, such as entry by the Company into a new market.

- 1.3 Notification must be made immediately after a director or executive officer of the Company becomes aware of the information in the course of the performance of those duties unless the exception set out below at paragraph 2.1 applies. Such notification is to be made by way of an announcement to NZX.
- 1.4 Care must be taken not to disclose any Material Information to the public or any third party prior to disclosing that Material Information to NZX.
- 1.5 LR10.1 is reproduced and appended to this policy at Appendix 1 (without the guidance notes contained within the Listing Rules).

2. EXCEPTION TO LR10.1

- 2.1 The Company need not disclose Material Information if the following safe harbour exception ("Exception") applies:
 - a. a reasonable person would not expect the information to be disclosed; and
 - b. the information is confidential and its confidentiality is maintained; and
 - c. one or more of the following applies:
 - i. the release of information would be a breach of law; or
 - ii. the information concerns an incomplete proposal or negotiation; or
 - iii. the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - iv. the information is generated for the internal management purposes of the Issuer; or
 - v. the information is a trade secret.
- 2.2 In order to rely on the Exception you must satisfy each of the limbs set out in paragraph 2.1 above. Material Information cannot be withheld on the basis that only one or two of the limbs apply.
- 2.3 For example, if the Company enters into an agreement containing confidentiality provisions with a third party and that third party is not subject to the Listing Rules, the confidentiality provisions in the agreement will not override the Company's continuous disclosure obligations merely because the information is confidential. Of course, disclosure cannot be withheld unless limbs (i) and (iii) also apply. Each of the limbs is discussed in more detail below.
- 2.4 If the Exception does apply, consideration needs to be given to the time period for which it applies. For example, if disclosure is withheld on the basis of an incomplete proposal or negotiations around the Company's entry into a proposed agreement, the Exception will cease to apply as soon as the material terms have been agreed. The obligation at that point is to release to the market immediately.

2.5 Given the cumulative nature of the Exception, the limbs should be considered in the following order:

- a. Do any of the categories in limb (iii) of the Exception apply to the Material Information?
- b. Is the Material Information confidential and has that confidentiality been maintained?
- c. Would a reasonable person expect the Material Information to be disclosed?

2.6 Please refer to the flowchart at Appendix 2 to assist.

2.7 Categories of Information

- a. To rely on the Exception, at least one of the following matters set out in limb (iii) must apply:
 - i. Breach of law - Limb (iii)(A) allows the Company to withhold information where the release of information would be a breach of law. NZX has indicated a simple breach of contract would not satisfy this limb. This means the possibility of breach of a confidentiality provision would not be sufficient. If it was, parties could simply look to contract out of their obligations to disclose Material Information immediately.
 - ii. Incomplete proposals or negotiations – Limb (iii)(B) enables the Company to withhold information about incomplete proposals or negotiations. A proposal or negotiation will generally be considered to be complete when all material matters have been agreed and there is the potential for NZX to view it as a complete proposal requiring disclosure. Certainly, as soon as all parties involved sign an agreement to give effect to the transaction it becomes complete. Even if an agreement is conditional, it will be considered to be complete once all material matters have been agreed.
 - iii. Matters of supposition or insufficiently definite – Limb (iii)(C) permits the Company to withhold matters of supposition or matters that are insufficiently definite to warrant disclosure. Often this will be where a particular matter sits before a proposal is formed that falls within limb (iii)(B).
 - iv. Internal management purposes – Limb (iii)(D) enables the Company to withhold information that has been generated for internal management purposes, for example papers produced for board meetings or other internal planning.
 - v. Trade secrets – If the Material Information is a trade secret it may be withheld by the Company under limb (iii)(E).

2.8 Confidentiality

- a. The second limb of the Exception requires the Material Information to be confidential and that such confidentiality has been maintained. Whether information has been kept confidential is a question of fact.
- b. To satisfy this limb, there must be an explicit obligation for all parties involved to keep the Material Information confidential. In practice, this means all parties must have kept the fact and contents of the Material Information in confidence.
- c. If the Material Information has been disclosed to someone who is not bound to keep it confidential, the Exception no longer applies and the Material Information must be disclosed.
- d. Again, an assessment of whether information has been kept in confidence needs to be made on the particular facts of each situation. Disclosure to a subsidiary of the Company will not in itself result in confidence being lost but care should be taken to ensure that the subsidiary is advised of the confidentiality of such Material Information.

2.9 Reasonable person

- a. The final consideration is whether or not a reasonable person would expect the Material Information to be disclosed. This requires an objective assessment of the circumstances relating to such information.
- b. Footnote 3 to LR 10.1.1 specifies that a reasonable person would not expect Material Information to be disclosed if the release of the information would:
 - i. unreasonably prejudice the Company; or
 - ii. provide no benefit to a person who commonly invests in securities.
- c. Care must be taken when considering whether the release of particular information may unreasonably prejudice the Company. It requires genuine consideration of the prejudice that disclosure could have on the Company (and its investors). However this does not mean that the Company can withhold unfavourable news from the market.
- d. NZX recognises that the reasonable person limb has narrow application in practice because Material Information that falls within both of the other two limbs will generally satisfy the reasonable person test. Accordingly, this should be the final consideration when determining whether or not the Company is able to withhold disclosure of Material Information under the Exception.

3. PROCESSES FOR IDENTIFYING MATERIAL INFORMATION

3.1 The following processes assist in identifying Material Information:

- a. all staff will have ongoing training to ensure they are aware of the continuous disclosure rules and that they should approach the "communications point" person where they think there may be Material Information;
- b. the "communications point" person will manage the process determining if information referred to them is Material Information and follow the disclosure process set out at clause 4;
- c. in the course of weekly management meetings, management will consider whether any matters need to be put before the Board;
- d. monthly accounts will be reviewed to consider if they show any material changes that should be disclosed to the market;
- e. staff will send recommendations to the directors with Board papers setting out what should be disclosed under the continuous disclosure rules;
- f. there is a fixed board agenda item to consider whether any matters should be disclosed in terms of the continuous disclosure rules;
- g. minutes for Board meeting will record reasons for disclosing or not disclosing specific matters; and
- h. the Company will ensure that appropriate confidentiality agreements are in place where the Company enters into material negotiations.

4. DISCLOSURE PROCESS

4.1 NZX interprets "immediate" release to mean "promptly and without delay" following a director or executive officer becoming aware of Material Information. "Executive officer" is not defined in the Listing Rules, however NZX suggests that an "executive officer" is a person who reports directly to the board of directors or a person who reports directly to a person who reports directly to the board of directors. This includes the CEO, CFO and COO and persons who report directly to those people.

4.2 Although there will be an unavoidable period of time between becoming aware of Material Information and the release of that information, whether it has been released promptly and without delay will depend on the particular circumstances and nature of that information. Such considerations will include the complexity of the Material Information, whether it needs to be verified and the time required to draft the announcement to ensure it is complete, accurate and not misleading.

- 4.3 Where it is possible to anticipate an event that will constitute Material Information, such as entry into an agreement, a draft announcement should be prepared in advance of the event to ensure that the Company is in a position to make an announcement immediately once the event has occurred or the agreement is complete.
- 4.4 Any matter that a director or the executive team of the Company considers may require disclosure should be immediately referred:
- a. in the first instance, to the CEO;
 - b. if the CEO is unavailable, to the Chairperson; or
 - c. if both the CEO and Chairperson are unavailable, to another director of the Company.
- 4.5 That person will then confer with the Chairperson (where relevant) and, if necessary, the Company's legal advisors. That person may also discuss with the other directors where they consider it appropriate/expedient to do so. Any discussion needs to be carefully considered in light of the obligation to disclose Material Information promptly and without delay.
- 4.6 The person to whom the matter has been referred will then determine whether or not the information is Material Information.
- 4.7 If it is considered that the information contains Material Information, then an announcement must be prepared to disclose that information to NZX (before it is released to the public). The other directors will also be immediately notified of the disclosure by the CEO/Chairperson (or relevant director).
- 4.8 If a director, executive officer or employee of the Company becomes aware that any Material Information has been inadvertently disclosed without being announced to the market, that director, officer or employee must immediately notify the CEO/Chairperson who will arrange to immediately request a trading halt to allow time for an urgent announcement to be made. Detailed information on the requirements and process for requesting trading halts is set out at paragraph 5 below.
- 4.9 Where Material Information is obtained or discovered after trading hours an announcement should be made to NZX at least one hour before trading next commences.
- 4.10 If speculation over a matter concerning the Company exists in the market then the Company may be required to make certain disclosures in order to protect the development of a false market for shares. The Chairperson/CEO will make the decision as to whether information will be disclosed in these circumstances after such discussion with directors as they consider appropriate in the time available. All directors will be immediately notified of the decision.

5. TRADING HALTS

- 5.1 A trading halt is a temporary halt on the trading of the Company's securities in the market. Trading halts are used to ensure the market trades on a fair, orderly and transparent basis. A trading halt may be initiated by NZX or requested by the Company and may be imposed for periods of up to two business days.
- 5.2 A trading halt should be requested by the Company where the Company is unable to make an immediate announcement under LR 10.1. This can allow for a halt to be applied until an announcement can be made.
- 5.3 The Company should also initiate the announcement process set out in paragraph 3 while making a request for a trading halt to ensure that disclosure can be made as soon as possible.
- 5.4 Specific circumstances where trading halts might be necessary include:
- a. when there is insufficient time to respond to an external or unexpected event;
 - b. where Material Information is received outside of trading hours and an announcement is not expected to be made within one hour of trading commencing;
 - c. where there is information in the public arena that the Company needs to confirm, deny or clarify that is of a material nature and has been released by another party.
- 5.5 In the above circumstances a trading halt will be necessary to prevent the formation of false market prior to the Company making an announcement.
- 5.6 Given the time critical nature of trading halts, the Company should call NZX Regulation to discuss its request before it is submitted. Requests should be made by email to regulation@nzx.com and include the following information:
- a. the reasons for requesting a trading halt;
 - b. how long the Company wants the trading halt to last (being a maximum of 2 business days, subject to exceptions in limited circumstances);
 - c. the event the Company expects to occur that will end the trading halt (e.g. the relevant announcement being made);
 - d. confirmation that the Company is not aware of any reason why the trading halt should not be granted; and
 - e. any other information necessary to inform the market about the trading halt or as otherwise required by NZX.

- 5.7 Trading halts must not be used to simply delay the release of information. To ensure this does not occur, NZX considers all requests for trading halts on a case by case basis.
- 5.8 If NZX agrees to grant a trading halt request, it will advise the Company and apply a trading halt to the Company's quoted securities at an agreed time. It will also release a memorandum notifying the market of the trading halt, which may be accompanied by an announcement by the Company. The Company must then act to issue the announcement in a timely manner within the trading halt period.
- 5.9 If NZX declines to grant a trading halt, it will advise the Company of this decision and discuss options for the release of Material Information to the market or the possible suspension from trading. If a trading halt is declined, the relevant announcement must be released to NZX as quickly as possible to minimise any potential breach for failing to immediately notify the market.

6. PRESS RELEASES

- 6.1 No Material Information or comments regarding Material Information should be included in a press release unless it has been announced to the market and is consistent with such announcement. Disclosure to NZX should be made first, even if the Company chooses to release to the media on an embargoed basis.
- 6.2 Corporate press releases and comments should be issued under the Chairperson's name after consultation with other directors where appropriate. Directors and officers should be particularly careful about what they say when speaking publicly about the Company. They should only talk about Material Information that has already been disclosed or information that is not material.
- 6.3 Financial press releases and statements should be issued by the CEO after consultation with the Chairperson and other directors where appropriate.

7. BREACH

- 7.1 The obligation to disclose Material Information in a timely manner is a fundamental obligation under the Listing Rules. Failure to comply with the above policy regarding disclosures may lead to a breach of the Listing Rules and/or liability for the Company and its directors and officers.
- 7.2 NZX Regulation may refer breaches of the continuous disclosure rules to the NZ Markets Disciplinary Tribunal, which may impose penalties on the Company in respect of such breaches. The Financial Markets Authority also has the power to take action against the Company for any breach of the continuous disclosure rules.

7.3 Any contravention of this policy (and LR 10.1) should be notified to the CEO immediately (who will advise the board of the Company), and may result in disciplinary action being taken.

7.4 A breach of the Company's continuous disclosure obligations can also impede the Company's ability to raise capital under the provisions of the Financial Markets Conduct Act 2013.

8. GUIDANCE NOTES

8.1 In addition to the guidance notes contained within the Listing Rules, NZX has issued a Guidance Note (December 2014) for listed issuers in relation to compliance with their continuous disclosure obligations.

8.2 This Guidance Note includes both interpretative guidance on the Listing Rule obligations and useful examples to refer to where there is uncertainty.

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APPENDIX 1 - LISTING RULE 10.1 (AS AT 27 NOVEMBER 2014)

10.1 Material Information

10.1.1 Without limiting any other Rule, every Issuer shall:

- a. once it becomes aware of any Material Information concerning it, immediately release that Material Information to NZX, provided that this Rule shall not apply when:
 - i. a reasonable person would not expect the information to be disclosed; and
 - ii. the information is confidential and its confidentiality is maintained; and
 - iii. one or more of the following applies:
 - A. the release of information would be a breach of law; or
 - B. the information concerns an incomplete proposal or negotiation; or
 - C. the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
 - D. the information is generated for the internal management purposes of the Issuer; or
 - E. the information is a trade secret.
- b. In this Rule 10.1.1, an Issuer is aware of information if a Director or an executive officer of the Issuer (and in the case of a Managed Fund, a Director or executive officer of the Manager) has come into possession of the information in the course of the performance of his or her duties as a Director or executive officer.
- c. not disclose any Material Information to the public, other Recognised Stock Exchanges (except as provided for in Rule 10.2.3(c)(i)) or other parties except in circumstances where the proviso to Rule 10.1.1(a) applies:
 - i. prior to disclosing that Material Information to NZX; and
 - ii. prior to an acknowledgement from NZX of receipt of Main Board/Debt Market Listing Rules that Material Information.
- d. release Material Information to NZX to the extent necessary to prevent development or subsistence of a market for its Quoted Securities which is materially influenced by false or misleading information emanating from:
 - i. the Issuer or any Associated Person of the Issuer; or
 - ii. other persons in circumstances in each case which would give such information substantial credibility, and which is of a reasonably specific nature whether or not Rule 10.1.1(a) applies.

10.1.2 Without limiting any other Rule, every Issuer shall, where that information constitutes Material Information, disclose to NZX immediately upon entry into that arrangement, all arrangements (other than within the group comprised of the Issuer and its wholly owned Subsidiaries) that Members of the Public (in relation to Equity Securities of the

Issuer) might reasonably consider confer terms materially more favourable to the other parties to that arrangement than would be conferred in an arm's length negotiation, including, without limitation:

- a. any arrangements by the Issuer with any Director or Associated Persons of a Director or with any holder of Equity Securities of the Issuer who is not a Member of the Public; and
- b. entry into any agreement or arrangement which will require the approval of a resolution under Rule 9.2.1.

10.1.1 Without limiting any other Rule, every Issuer shall upon entering into a transaction, or a related series of transactions, with a Related Party, whereby the Issuer:

- a. purchases or otherwise acquires, gains, leases (as lessor or lessee) or sells or otherwise disposes of, assets having an Aggregate Net Value in excess of 5% of the Average Market Capitalisation of the Issuer; or
- b. issues its own Securities or acquires its own Equity Securities having a market value in excess of 5% of the Average Market Capitalisation of that Issuer, save in the case of an issue pursuant to Rule 7.3.5 where only the market value of those Securities being issued to the Related Party or to any Employees of the Issuer are to be taken into account; or
- c. borrows, lends, pays, or receives, money, or incurs an obligation, of an amount in excess of 5% of the Average Market Capitalisation of the Issuer; or
- d. enters into any guarantee, indemnity, underwriting, or similar obligation, or gives any security, for or of obligations which could expose the Issuer to liability in excess of 5% of the Average Market Capitalisation of the Issuer,

must immediately disclose sufficient details of the transaction, or transactions, to reasonably inform the market of the nature and terms of the transaction, or transactions, via the market announcement platform, except that an Issuer will not be required to make such an announcement where approval is required under Rule 9.2.1.

10.1.4 All information given to NZX by or on behalf of an Issuer, including papers or documents of any nature, shall become and remain the property of NZX, which may, in its absolute discretion copy any such papers or documents and (subject to Rule 10.2.4) disseminate such information to the public, news media or any other interested party as it thinks fit.

10.1.5 Every Issuer shall, so far as is reasonably possible without materially adversely affecting the business of the Issuer, avoid entering into any obligation to any person which would have the effect of prejudicing the Issuer's ability to comply freely with the provisions of Rule 10.1.1.

Relevant Listing Rule Definitions to Interpret LR 10.1

Associated Person has the meaning given in Rule 1.8.

Average Market Capitalisation means, in relation to any transaction, the volume weighted average market capitalisation of an Issuer's Equity Securities carrying Votes calculated from trades on the NZX over the 20 Business Days before the earlier of the day the transaction is entered into or is announced to the market.

Employee in relation to an Issuer, means an employee or officer of that Issuer or any of its Subsidiaries; a labour only contractor, consultant, or consultant company, who or which contracts with that Issuer or any of its Subsidiaries; any trustee or trustees on behalf of any of the above employees or officers; and any trustee or trustees of, or in respect of any pension, superannuation or like fund established for the benefit of any of the above employees or officers.

Material Information in relation to an Issuer is information that:

- a. a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of Quoted Securities of the Issuer; and
- b. relates to particular securities, a particular Issuer, or particular Issuers, rather than to securities generally or Issuers generally.

For the purposes of this definition information is generally available to the market:

- c. if:
 - i. it is information that has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in relevant securities; and
 - ii. since it was made known, a reasonable period for it to be disseminated among those persons has expired; or
- d. if it is likely that persons who commonly invest in relevant securities can readily obtain the information (whether by observation, use of expertise, purchase from other persons, or any other means); or
- e. if it is information that consists of deductions, conclusions, or inferences made or drawn from either or both of the kinds of information referred to in paragraphs (c) and (d).

In this definition, relevant securities means securities of a kind the price of which might reasonably be expected to be affected by the information. Information that is notified to NZX for disclosure to the market in accordance with these Rules is generally available to the market under paragraph (c) of this definition immediately on it being made available to the market

(without limiting how quickly the reasonable period of dissemination in paragraph (c)(ii) of this definition may be satisfied in other cases).

Member of the Public means, in relation to an Issuer and/or Securities of an Issuer, any person other than:

- a. a person who holds, or who is one of a group of Associated Persons who together hold, 10% or more of a Class of Securities; or
- b. a person who has, or who is one of a group of Associated Persons who together have, the power (whether contingent or not) to appoint one or more Directors of the Issuer; or
- c. any other person or member of a class of persons, whom NZX in its discretion declares not to be a Member of the Public for the purposes of the Rules.

Related Party means:

- a. a Director or executive officer of the Issuer or any of its Subsidiaries;
- b. the holder of a Relevant Interest in 10% or more of a Class of Equity Securities of the Issuer carrying Votes;
- c. an Associated Person of the Issuer or any of the persons referred to in (a) or (b), other than a person who becomes an Associated Person as a consequence of the Material Transaction itself (or an intention or proposal to enter into the Material Transaction itself);
- d. a person in respect of whom there are arrangements other than the Material Transaction itself, intended to result in that person becoming a person described in (a), (b) or (c), or of whom the attainment of such status may reasonably be expected, other than as a consequence of the Material Transaction itself;

but a person is not a Related Party of an Issuer if:

- e. the only reason why that person would otherwise be a Related Party of the Issuer is that a Director or executive officer of the Issuer is also a Director of that person, so long as:
 - i. not more than one third of the Directors of the Issuer are also Directors of that person; and
 - ii. no Director or executive officer of the Issuer has a material direct or indirect economic interest in that person, other than by reason of receipt of reasonable Directors' fees or executive remuneration; or
- f. that person is a Subsidiary of, incorporated joint venture of, or unincorporated joint venture participant with, the Issuer and:
 - i. no Related Party of the Issuer has or intends to obtain a material direct or indirect economic interest in that Subsidiary, incorporated joint venture, or unincorporated joint venture participant, other than by reason of receipt of reasonable Director's fees or executive remuneration; and

- ii. the Issuer is entitled to participate, directly or indirectly, in at least one half of the income or profits, and the assets, of that Subsidiary, incorporated joint venture, or unincorporated joint venture participant.

Rules means these Main Board and Debt Market Listing Rules as amended from time to time.

Security means any interest or right to participate in any capital, assets, earnings, royalties, or other property of any person and includes:

- a. any renewal or variation of the terms or conditions of any existing security;
- b. any Debt Security; and
- c. and Option or Right.

APPENDIX 2 – THE CONTINUOUS DISCLOSURE PROCESS

