



**Collection House Limited**

## **Continuous Disclosure Policy**

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## 1. INTRODUCTION - COLLECTION HOUSE'S COMMITMENT

Collection House is committed to continuous disclosure as required by the Australian Stock Exchange Listing Rules and the Corporations Act 2001.

The purpose of this policy is to set in place systems that:

- (a) identify when matters are "material";
- (b) bring them to the attention of those who are in a position (and have the responsibility) to decide on whether disclosure is made; and
- (c) if disclosure is required, to ensure that disclosure is made promptly, fully, and appropriately.

This policy is consistent with Collection House's commitment to the promotion of investor confidence through open and honest communication.

This Continuous Disclosure Policy has been endorsed by the Board of Collection House.

The policy may change over time to ensure best practice.

## 2. THE GUIDING PRINCIPLE — CONTINUOUS DISCLOSURE

### 2.1 Disclosure

Collection House must immediately notify the market via an announcement to the ASX of any information concerning Collection House that a reasonable person would expect to have a 'material' effect on the price or value of Collection House securities.

The Board is primarily responsible for making decisions about what information will be disclosed and ensuring that the necessary information is disclosed.

### 2.2 'Material' information.

Information is "material" if there is a substantial likelihood that the information would influence investors in deciding whether to buy, hold or sell Collection House securities.

Materiality is to be assessed against this qualitative test, taking into account Collection House's business activities, size and place in the market.

A quantitative assessment may also be undertaken as part of, but not in substitution for, the materiality test.

### 2.3 Exceptions to the Guiding Principle

Disclosure will not necessarily be made by Collection House where:

- (a) a reasonable person would not expect the information to be disclosed; and

- (b) the information is confidential; and
- (c) it falls within specified exceptions (eg information regarding incomplete proposals) contained in the ASX Listing Rules.

## 2.4 Confidential information

Collection House believes that all information of the company or about the company, its business prospects or its operations is confidential unless deemed otherwise by a designated officer of the company. This confidentiality must be respected.

Should confidential information become public without the company's permission, Collection House will review whether that information or associated information should be disclosed immediately to the market.

No director, employee, or person associated with Collection House (such as a consultant, adviser, lawyer, accountant, auditor, banker or other contractor) is permitted to comment publicly on matters relating to Collection House without the explicit and prior approval of the Board. All information about Collection House business and company prospects is confidential information and must be treated as such.

The presumption should be that external communications such as analyst briefings and responses to questions from particular shareholders are not confidential.

Information must be subject to on-going assessment as to whether or not it must be disclosed. If any of the conditions referred to in section 2.3 above ceases to apply in relation to any particular information, Collection House will disclose that information immediately.

## 3. AUTHORISED SPOKESPERSONS

The only persons authorised to speak to the ASX, the media or externally in relation to Collection House's affairs (including briefings and responses to analysts, investors, brokers or shareholders) are:

- (a) the Chairman;
- (b) the Deputy Chairman;
- (c) the Managing Director and/or Chief Executive Officer (MD/CEO);
- (d) the Company Secretary;
- (e) those approved by the MD/CEO from time to time.

Where the announcement or comment is to be made to the ASX to comply with continuous disclosure obligations, only the MD/CEO or the Chairman has the authority to approve and release the announcement.

If neither the MD/CEO or Chairman is available to provide authorisation, the authority of at least two directors will be required to authorise any announcement.

If any other person connected to Collection House receives a request for comment from a third party, that person must advise the third party that they are not authorised to speak on behalf of Collection House and refer the inquiry to one of the persons listed above.

#### **4. IMPLEMENTATION**

##### **4.1 Collection House's Company Secretary**

The Company Secretary is responsible for communicating with the ASX, once appropriate authorisation under paragraph 3 has been obtained, and for coordinating the continuous disclosure systems, as well as the provision of information to ASX, analysts, brokers and shareholders, has been appointed.

The Company Secretary's name and contact details are set out on Collection House's website.

The Company Secretary is responsible for:

- (a) maintaining the Market Guidance Register (see section 4.2 below);
- (b) maintaining the currency of this Policy;
- (c) conducting or arranging training of the directors, the MD/CEO, the CFO and Heads of Department and other appropriate personnel in relation to Collection House's disclosure obligations (whether continuous, periodic or otherwise);
- (d) periodically reviewing Collection House's disclosure record; and
- (e) preparing a draft summary of Collection House's continuous disclosure systems for consideration by the Board and inclusion in Collection House's annual report.

##### **4.2 Market Guidance Register**

The Company Secretary is responsible for maintaining a Market Guidance Register that lists the key material items that have been disclosed, in accordance with the Market Guidance Policy, to the market such as:

- (a) material contract agreements;
- (b) material and relevant changes affecting the Company; and
- (c) key commercial relationships.
- (d) forecasts of financial results;
- (e) sales and revenue forecasts; and

Where the Company releases a forecast, the Company, including Directors and Officers and Employees must ensure that the forecast remains:

- (a) Accurate;

- (b) Material
- (c) Relevant; and
- (d) Does not create a False Market for our Shares.

The Register will be available for review by senior management and the directors. When it is apparent that circumstances have changed and that prior disclosure is no longer accurate, the Company Secretary will assist the Board to identify the need for Collection House to disclose the changed circumstances.

#### 4.3 **Immediate notification**

If a director or any member of senior management becomes aware of information that may have a material effect on the price or value of Collection House's securities, the policy of Collection House is that he/she should immediately notify that information to the Company Secretary and/or the MD/CEO.

This rule applies even where there is doubt as to whether the information requires disclosure. The directors and executive officers of Collection House should err on the side of caution and notify that information to the Company Secretary. It is only if such information is brought forward that the appropriate consideration may be given to whether it should be disclosed to the ASX.

#### 4.4 **Periodic disclosure**

Meetings of company officers will be used as an opportunity to consider and discuss potential disclosure issues and also ensure ongoing compliance with this Policy.

##### (a) The Executive Committee Meetings

The Executive Committee is comprised of the MD/CEO, Company Secretary, CFO and the Heads of Department or Divisions.

Each member of the Executive Committee is required to consider, prior to each of their meetings, whether they have any information in their possession that may require disclosure. They may be asked at each meeting whether or not any matter needs disclosure or any previously disclosed matters needs an update.

##### (b) Heads of Departments Reports to Board

Board meetings frequently require presentations by the MD/CEO, the CFO, Heads of Departments or other senior executives. These presentations will include opportunities for the senior executives to raise with the Board any matter that the senior executive believes needs to be analysed by the Board and considered for disclosure.

##### (c) Board Meetings

Each director is also required to consider prior to and before the conclusion of each Board meeting whether they possess any information that may require disclosure by Collection House under its continuous disclosure obligations.

It shall be a standing agenda item at each Board meeting that the directors raise and consider any information that potentially may require disclosure. The directors are encouraged to refer to the Material Disclosures Register.

#### **4.5 How information is considered for disclosure.**

All information notified to the Company Secretary under this policy:

- (a) will in the first instance be considered by the Company Secretary (and, when necessary, the Chairman, an independent director or legal counsel); and
- (b) if a disclosure is required and time permits, the draft form of the disclosure will be circulated to the Board members for immediate comment before being announced to the market.
- (c) In this way, adequate consideration by appropriately qualified persons is given to the need for, and the contents of, any disclosure in accordance with Collection House's continuous disclosure obligations.

The Board recognises that the responsibility for timely continuous disclosure requires that the Chairman and the MD/CEO have sufficient authority to make announcements without consultation with all members of the Board if they are not immediately available.

All directors and executive officers are required to communicate any information that they consider may require disclosure — even if they are doubtful that disclosure may be required. It is only if such information is brought forward that the appropriate consideration may be given to whether it should be disclosed to the ASX.

In all circumstances, the directors and executive officers of Collection House should err on the side of caution and notify that information to the Company Secretary.

#### **4.6 The Decision to Disclose**

In the ordinary event, the decision to release information to the market or externally, and the form of that disclosure, will be a matter which is to be decided by the Board. Where matters are not as significant or where circumstances otherwise require it, a decision to make disclosure can be taken individually by the Chairman, the MD/CEO or (with the approval of either of them) the Company Secretary. In making that decision, these officers are expected to consult as widely as time and circumstances permit before doing so.

The decision making officer or body will make a decision to disclose having regard to the law and listing rules, market practice and expectations and the reputation of Collection House.

#### **4.7 Making disclosure**

Where disclosure is determined to be necessary, Collection House will immediately disclose the information to the ASX.

Collection House's policy will be to provide the information to the ASX first and not to provide it to any other persons (including on an embargoed basis) until the ASX has confirmed that it has released the information to the market.

Once information has been released to the ASX, Collection House may issue the information to other interested parties, such as substantial shareholders.

#### **4.8 Correcting a false market, managing market speculation and rumours**

Collection House's policy is not to comment on any speculation or rumour unless forced to do so and then only to the extent necessary to satisfy regulatory requirements. Its policy is also not to respond to reports (or rumours) published about it by analysts, fund managers, reporters or other third parties. Collection House will not comment on, or endorse, any market guidance figures published by any other person.

Where Collection House becomes aware that a third party's report contains information that seriously misrepresents the position (financial or otherwise) of Collection House and that a significant portion of the market is acting on that information, the Board may decide to issue an ASX announcement correcting the misinformation. It is expected that any such action by the Board will be the exception rather than the rule.

This policy must be observed by all officers and employees at all times.

#### **4.9 Correcting selective disclosure**

In the event that this Policy is not complied with, or notwithstanding compliance, the directors become aware that material price sensitive information has been selectively disclosed, the relevant information will be promptly released to the market through the ASX. Such announcements will be made as soon as practicable after learning of the need for the disclosure.

#### **4.10 Use of website**

Given that a significant portion of Collection House's business and communications are conducted on the internet, it is important to note that information that requires disclosure to the ASX under Listing Rule 3.1 cannot be published on Collection House's website before ASX has published the announcement.

Accordingly, information that is being disclosed will not be posted on to the Collection House website until authorisation has been provided by the MD/CEO.

### **5. TRADING HALTS**

Where appropriate, Collection House will make use of the trading halt function available to it under the ASX Listing Rules.

A decision to impose a trading halt is expected to be taken only by the MD/CEO in consultation with the Chairman and, if time and circumstance permit, the Board.

## 6. **GUIDING PRINCIPLES**

Collection House will not communicate material price or value sensitive information to an external party, except where that information has previously been disclosed to the ASX.

## 7. **COMMUNICATION “BLACKOUT” PERIOD**

To protect against inadvertent disclosure of material price or value sensitive information, Collection House imposes communication ‘blackout’ periods between the end of its financial reporting periods and the announcement of results for that period to the market.

In these ‘blackout’ periods, Collection House does not intend to hold:

- (a) one-on-one briefings with any external parties, including institutional investors, individual investors or stock broking analysts to discuss financial information concerning Collection House; or
- (b) open briefings other than to deal with matters which are the subject of an announcement via the ASX; or
- (c) comment on any third party’s estimates about Collection House’s performance.

## 8. **BRIEFINGS**

### 8.1 **Private Briefings and Road-shows**

The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market.

Private briefings and investor road-shows to analysts/institutions/stockbrokers are encouraged by the Company to enhance a greater understanding of the Company and are considered an important part of pro-active investor relations.

Private briefings must not involve the disclosure of price-sensitive information. Any written materials containing new price-sensitive information to be used in briefing analysts, institutions and stockbrokers are to be announced on the ASX announcement platform prior to the briefing commencing and will be placed on the Company’s website.

During such briefings:

- there will be no discussion of Price Sensitive/Controlled Information that has not been disclosed to the market;
- questions about Price Sensitive/Controlled Information that has not been disclosed to the market will not be answered;

- if Price Sensitive/Controlled Information is inadvertently announced during the briefing, the Company will immediately release the Price Sensitive/Controlled Information to the ASX and placed on the Company's website; and
- all materials used in the briefing will be available on the Company's website before the briefing starts.

Collection House will advise the market in advance of open briefings via the ASX announcement platform and the Company's website, lodge all presentation materials with the ASX prior to the presentation commencing and place such information on the Company's website promptly following completion of the briefing. Collection House may web cast its open briefings at the time they occur and if so, will keep a clearly dated historical archive record of the web cast for at least a 6 month period. This information will be retained by the Company Secretary or their delegate.

Public speeches will often be categorised as open briefings and these will be lodged first with the ASX if they contain material Price Sensitive/Controlled Information and will also be posted on the Company's website.

The CEO is responsible for ensuring the policy requirements in relation to open briefings are met.

## 8.2 Analysts Reports

Collection House recognises the importance placed on reports by stockbroking analysts. Any comment by the Company to an analyst in relation to an analyst's report or financial projections should be confined to errors in factual information and underlying assumptions provided such comment of itself does not involve a breach of the Company's continuous disclose obligations.

The Chief Financial Officer (CFO) or their delegate will maintain a record of analysts' earnings forecasts and provide a summary report of these forecasts to the CEO/CFO on a regular basis.

The CFO will monitor the analysts' forecast earnings relative to the Company's own internal forecasts and, if any, financial forecasts previously published by the Company. If the CFO becomes aware of a divergence which may have a material effect on the price or value of Collection House's securities, the CFO will refer the matter immediately to the CEO and the Company Secretary for consideration as to whether an announcement should be made to the ASX.

As with any other deliberations of the CEO and the CFO in relation to divergences, it is important that any consideration given by the CEO and the CFO to any matter referred by the CEO/CFO/Company Secretary must be shared without delay with the Chairman or, in his absence, the Chairman of the Audit and Risk Management Committee. Where a decision is made to make an announcement about Collection House's profit outlook (if any), it is of critical importance that the Company provides clear guidance to the market regarding Collection House's view of the profit outlook.

During an analyst briefing, if the Company is concerned that the analyst's 'forecast' diverges from Company's internal expectations, then there is a risk that even a carefully scripted communication limited to previously disclosed information may be interpreted by the analyst as a 'down grade' and thus amounts to 'selective disclosure'.

Accordingly, analyst briefings should not be used to manage analyst's expectations. If necessary (eg if consensus analyst forecasts diverge from Collection House's expectations) a public ASX release must be made.

If an analyst asks a question at a private briefing which touches on a Price Sensitive/ Controlled Information area, then the Company's spokesperson can only use publicly available information in the answer.

Where this is not possible, then the spokesperson should decline to answer the questions or take it on notice and answer it after a general disclosure on the ASX announcement platform has been made.

### **8.3 Relationship with market disclosure**

If any Collection House director or employee participating in a briefing (either open or one on one) considers that a matter has been raised that might constitute a previously undisclosed material price or value sensitive matter, they must immediately refer the matter to the Company Secretary for possible consideration under this Continuous Disclosure Policy.

Where a question raised in a briefing can only be answered by disclosing material price or value sensitive information, directors and employees must decline to answer the question or take the question on notice and wait until Collection House announces the information publicly through the ASX before responding.

For more information on briefing analysts refer to our Handling Confidential Information – Briefing Analysts Procedure.

## **9. POLICY BREACHES**

Breaches of this policy, including a failure to report a serious violation by others, may lead to a breach of law and ASX rules, particularly in regard to continuous disclosure. In turn, that may lead to personal penalties for directors and officers. Accordingly, breaches of this policy will lead to disciplinary action being taken against the relevant officer or employee, including dismissal in serious cases.