

## **Continuous Disclosure Policy**

**Lark Distilling Co. Ltd**

**ACN 104 600 544**

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<b>Reviewed/Approved by the Board</b>	
Adopted	25 November 2019
Reviewed & Approved	26 November 2020
Reviewed & Approved	19 April 2023

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## **1. Introduction**

- 1.1 This policy outlines the disclosure obligations of the Company as required under the Corporations Act 2001 and the Australian Securities Exchange (ASX) Listing Rules. The policy is designed to ensure that procedures are in place so that the stock market in which the Company's securities are listed is properly informed of matters which may have a material impact on the price at which the securities are traded.
- 1.2 The Company is committed to:
- (a) complying with the general and continuous disclosure principles contained in the Corporations Act 2001 and the ASX Listing rules;
  - (b) preventing the selective or inadvertent disclosure of material price sensitive information;
  - (c) ensuring shareholders and the market are provided with full and timely information about the Company's activities; and
  - (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

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## **2. Disclosure Officer**

- 2.1 The Managing Director/Chief Executive Officer and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering this policy. The disclosure officers are responsible for all communication with ASX and for making decisions on what should be disclosed publicly under this policy.
- 2.2 In the absence of the Managing Director/Chief Executive Officer and Company Secretary, any matters regarding disclosure issues are to be referred to the Chairperson.

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## **3. Material Information**

- 3.1 In accordance with the ASX Listing Rules, the Company must immediately notify the market (via an announcement to the ASX) of any "price sensitive" information, being information concerning the Company which a reasonable person with experience in the industry in which the Company operates would expect to have a material effect on the price or value of the Company's securities.

Examples of price sensitive information are shown in paragraph 4.2 below.

- 3.2 Information need not be disclosed if:
- (a) a reasonable person would not expect the information to be disclosed; and
  - (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
  - (c) one or more of the following applies:
    - (i) it would breach the 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 internal management purposes; or
    - (v) the information is a trade secret.
  - 3.3 The Company is also required to disclose information if asked to do so by the ASX, to correct or prevent a false market.
  - 3.4 If an employee or officer of the Company becomes aware of any information at any time that may be price sensitive, it must be reported immediately to the Disclosure Officer.
  - 3.5 Note that the Company is deemed to have become aware of information where a Director or Executive Officer has, or ought to have, come into possession of the information in the course of the performance of their duties as a Director or Executive Officer.
  - 3.6 The Corporations Act 2001 defines a material effect on price or value as being where a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the securities.
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#### **4. Review of Communications for Disclosure**

- 4.1 The disclosure officers will review all communications to the market to ensure that they are full and accurate and comply with the Company's obligations. Such communications may include:
  - (a) media releases;
  - (b) analyst, investor or other presentations;
  - (c) prospectuses; and
  - (d) other corporate publications.
- 4.2 Examples of information or events that are likely to require disclosure include:
  - (a) financial performance and material changes in financial performance or projected financial performance;
  - (b) changes in relation to Directors and Senior Executives, including changes in the terms of employment of the Managing Director/Chief Executive Officer and the independence of Directors (note that changes of: the Chair; a Director; Chief Executive Officer (or equivalent office holder); or Chief Financial Officer (or equivalent office holder) must be immediately notified to the ASX under Listing Rule 3.16.1);
  - (c) mergers, acquisitions, divestments, joint ventures or material changes in assets;
  - (d) significant developments in new projects or ventures;
  - (e) material changes to the Company's security position;
  - (f) material information affecting joint venture partners, customers or non-wholly owned subsidiary companies;
  - (g) media or market speculation;
  - (h) becoming a plaintiff or defendant in a material law suit;
  - (i) analyst or media reports based on inaccurate or out of date information;

- (j) industry issues which have, or which may have, a material impact on the Company; and
  - (k) decisions on significant issues affecting the Company by regulatory authorities.
- 4.3 Where there is any doubt as to whether an issue might materially affect the price or value of the Company's securities, the disclosure officers will assess the circumstances with appropriate senior executives and if necessary, seek external professional advice.
- 4.4 All presentations to analysts and investors will be released to the ASX and then included on the Company's web-site.
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## **5. Authorised Spokesperson**

- 5.1 The Company's authorised spokesperson is the Managing Director/Chief Executive Officer, and in their absence, the Chairperson and Company Secretary, as appropriate. In appropriate circumstances, the Managing Director/Chief Executive Officer may from time to time authorise other spokespersons on particular issues and those within their area of expertise.
- 5.2 No employees or consultants are permitted to comment publicly on matters confidential to the Company. Any information which is not public must be treated by employees and consultants as confidential until publicly released.
- 5.3 If other employees are asked to comment by an external investor, stockbroking analyst or the media in relation to any matter concerning the Group they must;
- (a) say that they are not authorised to speak on behalf of the Company; and
  - (b) refer the investor, stockbroking analyst or media to the Managing Director/Chief Executive Officer.
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## **6. Protocol in relation to the review and release of ASX Announcements**

- 6.1 The Company's protocol in relation to the review and release of ASX announcements (and media releases) is as follows:
- (a) All key announcements at the discretion of the Managing Director/Chief Executive Officer are to be circulated to and reviewed by all members of the Board.
  - (b) All members of the Board are required to seek to provide to the Managing Director/Chief Executive Officer (or in his/her absence, the Company Secretary) with verbal or written contribution of each key announcement, prior to its release.
  - (c) Any relevant parties named in the announcement should also be given the opportunity to review the announcement prior to its release, to confirm all information is factually correct.
  - (d) The Managing Director/Chief Executive Officer (and in his/her absence, the Chairperson) is to be given the final signoff before release to the ASX of the announcement.
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## **7. Reporting of Disclosable Information**

- 7.1 Once the requirement to disclose information has been determined, the disclosure officers are the only persons authorised to release that information to the ASX.

- 7.2 Information to be disclosed must be lodged immediately with the ASX. Any such information must not be released to the general public until the Company has received formal confirmation of lodgement by the ASX.
- 7.3 All information disclosed to the ASX in compliance with this policy must be promptly placed on the Company's web-site.
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## **8. Market Speculation and Rumours**

- 8.1 As a guiding principle, the Company has a "no comment" policy on market speculation and rumours, which must be observed by all employees. However, the Company will comply with any request by the ASX to comment upon a market report or rumour.
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## **9. Trading Halts**

- 9.1 The Company may, in exceptional circumstances, request a trading halt to maintain orderly trading in the Company's securities and to manage any disclosure issues.
- 9.2 No employee of the Company is authorised to seek a trading halt except for the disclosure officers.
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## **10. Meetings and Group Briefings with Investors and Analysts**

- 10.1 The Managing Director/Chief Executive Officer is primarily responsible for the Company's relationship with major shareholders, institutional investors and analysts and shall be the primary contacts for those parties.
- 10.2 Any written materials containing new price-sensitive information to be used in briefing media, institutional investors and analysts are to be lodged with, and released by, the ASX prior to the briefing commencing. Upon confirmation of receipt by ASX, the briefing material is to be posted to the Company's web-site. Briefing materials may also include information that may not strictly be required under continuous disclosure requirements.
- 10.3 The Company will not disclose price sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market. The Company considers that one-on-one discussions and meetings with investors and stockbroking analysts are an important part of pro-active investor relations. However, the Company will only discuss previously disclosed information in such meetings and price-sensitive information that has not been released to the market must not be disclosed at one-on-one briefings.
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## **11. Periods Prior to Release of Financial Results**

- 11.1 During the time between the end of the financial year or half year and the actual results release, the Company will not discuss financial performance, broker estimates and forecasts and, particularly, any pre-result analysis with stockbroking analysts, investors or the media, unless the information to be discussed has already been disclosed to the ASX.
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## **12. Web-based Communication**

- 12.1 The Company's web-site features discrete sections for shareholders and investors to ensure that such information can be accessed by interested parties. Such information will include:
- (a) annual reports and results announcements;

- (b) all other company announcements made to the ASX;
  - (c) speeches and support material given at investor conferences or presentations;
  - (d) company profile and company contact details; and
  - (e) all written information provided to investors or stockbroking analysts.
- 12.2 Announcements lodged with the ASX will be placed on the Company's web-site as soon as practicable after ASX confirms receipt of that information.
- 12.3 Shareholders may be offered the option of receiving information via e-mail instead of post.
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### **13. Analysts Reports and Forecasts**

- 13.1 Stockbroking analysts frequently prepare reports on listed companies that typically detail their opinion on strategies, performance and financial forecasts. To avoid inadvertent disclosure of information that may affect the Company's value or share price, the Company's comments on analyst reports will be restricted to:
- (a) information the Company has issued publicly; and
  - (b) other information that is in the public domain.
- 13.2 Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to information publicly issued by other parties and Company statements.
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### **14. Informing employees**

- 14.1 This policy or a summary of it will be distributed to employees to help them understand the Company's continuous disclosure obligations, their individual reporting responsibilities and the need to keep the Company's information confidential.
- 14.2 The Company's share trading policy will also be distributed to the employees. That policy also relates to the treatment of price-sensitive information.
- 14.3 Any questions about the Company's continuous disclosure obligations or this policy should be referred to the Disclosure Officer.
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### **15. Contraventions and penalties**

- 15.1 The Company contravenes its continuous disclosure obligations if it fails to notify ASX of information required by Listing Rule 3.1.
- 15.2 Either ASX or ASIC, as co-regulators, may take action upon a suspected contravention.

#### ASX Listing Rules

- 15.2.1 If the Company contravenes its continuous disclosure obligations under the Listing Rules, ASX may suspend quotation of the Company's securities, temporarily halt trading in the Company's securities or, in extreme cases, delist the Company from ASX.

#### Corporations Act

- 15.2.2 If the Company contravenes its continuous disclosure obligations, it may also be liable under the Corporations Act and may face:

- (i) criminal liability which attracts substantial monetary fines; and
- (ii) civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to ASX, where the entity 'knows or is reckless or negligent' with respect to whether the information would, if it were generally available, have a material effect on the price or value of the securities.

15.2.3 There is no fault element required to establish civil liability. However, a court has power to relieve a person from civil liability if the person acted honestly and in the circumstances the person ought fairly to be excused for the contravention.

15.2.4 The Company and its officers will not be liable for misleading and deceptive conduct where the continuous disclosure obligations have been contravened unless the requisite "fault" element is also proven.

15.2.5 ASIC has the power to issue infringement notices and can initiate investigations of suspected breaches under the Australian Securities Commission Act 2001 (Cth).

#### Class action risk

15.2.6 If the Company fails to disclose materially price sensitive information in accordance with Listing Rule 3.1, investors who buy or sell the Company's securities during the period of non-disclosure (and possibly other affected stakeholders) may be entitled to bring a class action against the Company. Even when they are not successful, class actions can be costly to defend and may have a serious negative effect on the Company's reputation and share price. A successful class action could potentially threaten the solvency of the Company.

15.3 The Company's officers (including its directors), employees or advisers who are involved in any contravention of continuous disclosure obligations may also face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.

15.4 A person will not be considered to be involved in the contravention if the person proves that they:

15.2.7 took all steps (if any) that were reasonable in the circumstances to ensure that the Company complied with its continuous disclosure obligations;

15.2.8 after doing so, believed on reasonable grounds that the Company was complying with those obligations.

15.5 The procedures specified in this Policy are the minimum expected of relevant officers and employees in relation to compliance with the Company's continuous disclosure obligations. Depending on the circumstances, officers and employees may have obligations over and above those contained in this Policy.

15.6 To avoid potential civil or criminal liability, in all situations officers and employees must do everything they reasonably can to ensure that the Company complies with its continuous disclosure obligations. In particular, staff must not try to hide or delay "material news", especially when the information is likely to impact the Company's share price.

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## **16. Review of this Policy**

16.1 The Company Secretary will review this Policy annually or as often as he or she considers necessary.

16.2 Any amendment to this Policy must be approved by the Board.

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## **17. Approved and Adopted**

17.1 This Policy was approved and adopted by the Board on 25 November 2019.