

CONTINUOUS DISCLOSURE POLICY BENDIGO COMMUNITY TELCO LIMITED

Background

- Continuous disclosure obligations are imposed by the Bendigo Stock Exchange Listing Rules 3.1 and section 674(3) of the Corporations Act. Listed disclosing entities are required by section 674(2) of the Corporations Act to immediately notify the Bendigo Stock Exchange of any information concerning the company of which it is aware or becomes aware which is not generally available and which a reasonable person would expect to have material effect on the price or value of the companies shares.
- Failure to comply with Listing Rules 3.1 is a criminal offence under section 674(2). An offence under this section also gives rise to civil penalties.
- Recommendation 5.1 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations require establishment of written policies and procedures which ensure compliance with Listing Rules disclosure requirements and ensure accountability at a senior management level for compliance. Any deviation from this requirement is required to be explained in the Annual Report of the Company.

Policy

- Once the Company is or becomes aware of any information concerning it that a reasonable person would expect to have material effect on the price or value of the Company's securities. The Company must immediately give the information to the Bendigo Stock Exchange.
- The Company is considered to be aware of the information if Senior Management or a director has or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a Director or Senior Management of the Company.
- Information which is considered to have a price sensitive effect on the securities of it would or is likely to influence persons who commonly invest in securities in deciding to buy and sell securities.
- The Bendigo Stock Exchange Listing Rules do not explain what information will be regarded as having this effect but the following are regarded as this types of information which may be regarded as price sensitive;
 - 1) a change in the financial forecast of the Company's performance eg; a variation of 10% in a financial forecast may be considered relevant.
 - 2) a significant new business proposal or development.
 - 3) a significant funding arrangement.
 - 4) a capital raising.
 - 5) a dividend or change in dividend policy.
 - 6) a change in capital structure including a buy back of shares.
 - 7) material litigation against the Company.
 - 8) a significant bad debt or credit loss.
 - 9) a change in directors or senior management.
 - 10) half yearly or full year results.

Information which may be held from disclosure Bendigo Stock Exchange Listing Rule 3.2

- Information which a reasonable person would not expect to be disclosed.
- Information that is confidential and Bendigo Stock Exchange has not formed the view that the information has ceased to be confidential.
- Information which is exempted by Bendigo Stock Exchange Listing Rule 3.2 which:
 - a) it would be a breach of a law to disclose the information
 - b) the information governs an incomplete proposal or negotiation
 - c) the information comprises matters of supposition or insufficiently defend to warrant disclose
 - d) or the information is generated for internal management purposes of the entity

Information Bendigo Stock Exchange requires to be disclosed

- If the Bendigo Stock Exchange considers there is or likely to be a false market in the Company's shares it will ask the Company for information required for Bendigo Stock Exchange to correct or prevent the false market.
- Any information required to be disclosed to Bendigo Stock Exchange must not be released until the information has been given to Bendigo Stock Exchange and acknowledged that the information has been released to the market.
- Bendigo Stock Exchange Listing Rules enable the Company to apply for a trading halt.

Disclosure process

- Any employee who becomes aware of information that may be "price sensitive" must immediately inform the Chief Executive Officer or Company Secretary.
- Any director who becomes aware of information that may be "price sensitive", the director must inform the Chief Executive Officer.
- The Chief Executive Officer on receipt of "price sensitive" information must access the information provided by any party and decide whether it needs to be disclosed. The Chief Executive Officer may consult with the Board or seek external legal advice on whether the information needs to be disclosed and a trading halt is needed.

Register or decisions and announcements

- The Company Secretary must maintain a register of information and announcements referred to the Chief Executive Officer and the Company Secretary. Any referral or announcements must also be referred to the members of the Board Audit Committee in its role monitoring compliance with Corporate Governance Policies of the Company.