

PALLA PHARMA LIMITED
ACN 107 872 453



PALLA PHARMA

**CONTINUOUS DISCLOSURE AND
SHAREHOLDER REPORTING POLICY**



CONTINUOUS DISCLOSURE AND SHAREHOLDER REPORTING POLICY

1. OVERVIEW OF THE POLICY

This policy sets out the standards, protocols and the detailed requirements expected of all Directors, senior management and employees of Palla Pharma Limited (the "Company") for complying with the ASX Listing Rules relating to 'Continuous Disclosure' and for communicating effectively with shareholders.

2. OBJECTIVES AND PURPOSES

2.1 Objectives and Purposes

The purpose of this policy is to:

- (a) ensure that the Company complies with the ASX Listing Rules and provides equal access to information and to promote quality communication between the Company and third parties such as shareholders, the investment community, the media, the ASX and other appropriate stock exchanges;
- (b) describe the processes implemented by the Company to ensure such compliance;
- (c) outline the strategy of the Company to promote effective communication with shareholders and encourage effective participation in general meetings.

2.2 ASX Guidelines

The Company is committed to maintaining good standards in corporate governance and so it is appropriate that it adheres to the Corporations Act 2001, ("Corporations Act"), ASX Listing Rules, ASX Corporate Governance Principles and any other relevant ASX principles.

The Company has a corporate governance process designed to ensure that Company ASX announcements:

- (a) are made in a timely manner;
- (b) are factual and are accurate;
- (c) do not omit material and relevant information; and
- (d) are expressed clearly and objectively to enable investors to assess the impact of the information when making investment decisions.

The Board is responsible for approving and monitoring compliance with this policy. The effectiveness of this policy will also be evaluated on an as needs basis.

3. CONTINUOUS DISCLOSURE

All material (i.e., price sensitive) information will be immediately disclosed to the market. Once the Company is, or becomes, aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price



or value of the Company's securities, the Company will inform the ASX.

The materiality of a particular matter will be determined in accordance with the ASX Listing Rules and the Company's corporate governance guidelines and procedures. Events that are likely to be the subject of disclosure include:

- (a) material changes in the financial performance, financial position or projected financial performance of the Company;
- (b) entry into material contracts;
- (c) changes of Directors or senior management.

Following the announcement to the ASX, the information will be posted on the Company's website and may then be released to the broader investment community and the media.

Major financial results will be communicated to employees of the Company and its controlled entities immediately following a public announcement.

The ASX Listing Rules permit the Company, in certain circumstances, not to disclose material information.

3.1 Determination of 'materiality'

Determining whether an event or transaction may materially affect the price or value of the Company's securities is difficult and requires judgement. The market's expectations, perceptions and sentiment toward the Company may be as relevant as the amount of money involved in the event or transaction.

The Chief Executive Officer or the Company Secretary, in consultation with the Board, will determine whether a particular event or transaction has the material effect required for a disclosure to be made by the Company to the ASX.

It is therefore important that the Chief Executive Officer or the Company Secretary is consulted regarding the necessity to disclose a particular matter.

3.2 Exception to ASX Disclosure Requirements

The Company's obligation to disclose price-sensitive information does not apply if, and only if, each of the following conditions are and remain satisfied:

- (a) a reasonable person would not expect it to be disclosed (because, for example, the result of disclosure would be unreasonably prejudicial to the Company); and
- (b) the information is confidential (i.e. not in the public domain); and
- (c) one or more of the following conditions apply:
 - (i) it would be a breach of a law to disclose the information; or
 - (ii) the information concerns an incomplete proposal or negotiation (for example, a negotiation to enter into a new contract); or
 - (iii) the information comprises matters of supposition or is insufficiently



definite to warrant disclosure; or

- (iv) the information is a trade secret.

The Chief Executive Officer or the Company Secretary, in consultation with the Board, will make a decision as to whether the Company can rely on this exception to its disclosure obligations. Under no circumstances should any other person make decisions regarding whether this exception applies.

3.3 Review and Authorisation

The Chief Executive Officer or the Company Secretary, in consultation with the Board, will review all proposed disclosures to ensure that the disclosure is accurate, contains all of the relevant information, is not premature and is required to be disclosed. A disclosure must not be made unless approval has been given by the Chief Executive Officer, Company Secretary, or when necessary, the Board.

4. FALSE MARKETS

4.1 Information Required to Correct a False Market

A false market refers to a market in which the Company's securities are traded:

- (a) in the absence of material price-sensitive information having been disclosed; or
- (b) on the basis of information that is inaccurate or misleading.

Factors such as market speculation on the Company's earnings, projections or misunderstandings concerning the meaning of financial information released by the Company can lead to a false market.

4.2 Measures to Avoid False Market

In order to ensure that there is at all times a fair and balanced market in the Company's shares and other securities, the Company should:

- (a) release to the market information required to correct a false market, whether or not a request has been received from the ASX; and
- (b) provide the market with balanced and factual commentary on the Company's financial results to ensure that the Company's investors are able to make an informed assessment of the Company's activities and results.

5. EXTERNAL COMMUNICATIONS

5.1 General

The Company has adopted continuous disclosure compliance practices that support the use of a variety of means to communicate with shareholders, the investment community and media including:

- (a) media releases and ASX announcements;
- (b) major briefings on profit and business performance;
- (c) media conferences;



- (d) interviews;
- (e) telephone and video conferences; and
- (f) internet based publications.

5.2 Financial Affairs Spokesperson

The Chair, Chief Executive Officer and the Chief Financial Officer (or their authorised delegates) are the only authorised persons within the Company to comment publicly on the financial affairs of the Company.

All communications on the financial affairs of the Company will be in accordance with the ASX Listing Rules and the Company's corporate governance policies and procedures.

5.3 Media Spokesperson

The Chair, the Chief Executive Officer and the Chief Financial Officer (or their authorised delegates) are the only authorised persons within the Company to comment to the media on the affairs of the Company (other than financial affairs which are dealt with in paragraph 4.2).

5.4 Responsibility for contact with the ASX

Only the Chair, Chief Executive Officer, the Chief Financial Officer or the Company Secretary (or their authorised delegates), are authorised to have contact with the ASX relating to any ASX enquiry.

5.5 Receipt of Information to be Equitable

No party external to the Company, apart from those who have signed a confidentiality agreement and are providing specific services to the Company, will receive information on the affairs of the Company that will provide them with a beneficial insight into the current and future financial affairs of the Company beyond the information that is publicly available.

6. RUMOURS AND MARKET SPECULATION

The Company will not generally or specifically comment on market speculation or rumour unless:

- (a) there are factual errors contained in the speculation or rumour that could materially affect the Company; or
- (b) there is a move in the price of the Company's securities which is reasonably referable to the speculation or rumour; or
- (c) the Company receives a formal request from the ASX or a competent regulator.

7. INVESTOR RELATIONS

7.1 General

Periodically the Company will conduct analyst and investor briefings. These briefings will be carried out in accordance with the Company's corporate governance



framework and, in particular, the following principles will apply:

- (a) no materially sensitive information will be disclosed at these briefings unless it has been previously, or is simultaneously, released to the ASX;
- (b) if any materially sensitive information is inadvertently disclosed then the Company will immediately disclose the information to the ASX;
- (c) a minimum of two representatives of the Company will attend all briefings (unless not practical) and a record of the briefing will be maintained; and
- (d) the Company will place a copy of any significant presentation material on the Company's website.

7.2 Analyst Reports and Estimates

The Company may review analysts' draft reports and models where requested. However, comments will be restricted to the public information contained in a report or model and no comment will be made on the conclusions or assumptions.

Where appropriate the Company may acknowledge the current range of analysts' estimates, question an analyst's assumption where the estimate varies significantly from the current market range of estimates and correct factual errors.

8. CLOSED PERIOD

The Company adopts a 'closed period' of approximately six weeks prior to the half and full year financial results. During closed periods, the Company will not normally allow private meetings with individual members of the investment community or the media.

Where appropriate, and provided that the restriction on any discussion of performance (financial or operational) is made explicit, permission may be granted for investment community or media briefings to discuss the Company's previously disclosed strategy. Particular attention must be paid to a detailed record of any such meeting.

9. SHAREHOLDER COMMUNICATIONS

9.1 Website

To ensure information relevant to the Company is readily available to shareholders, the investment community and the media, the Company will provide the following information on its website:

- (a) relevant Company announcements made to the ASX;
- (b) the Company's annual reports and result announcements;
- (c) relevant speeches and support material (including slides) given at investor and industry conferences, briefings or presentations;
- (d) company profile and contact details;
- (e) all relevant written information provided to shareholders, the investment



community or media; and

- (f) other information as considered appropriate by the Chief Executive Officer.

The Company's website can be viewed at <https://www.pallapharma.com/>

9.2 General Meetings

The Company has adopted the ASX guidelines for the design and content of notices of meeting and the conduct of shareholder meetings. The Company will use general meetings to communicate to shareholders, in addition to the methods set out in paragraph 8.1 above. The meetings will allow a reasonable opportunity for informed shareholder participation.

9.3 Auditor

The external auditor will be asked to attend all annual general meetings and to be available to answer shareholder questions about the conduct of the audit of the Company and the preparation and content of the auditor's report.

10. TRADING HALTS

In order to maintain a fully informed, fair and transparent market in respect of the Company's securities, the Company may request a trading halt from the ASX where:

- (a) confidential information about the Company is inadvertently made public and further time is required to enable the Company to prepare an appropriate public announcement; or
- (b) the Company is preparing to make a major announcement and is concerned to prevent speculative or insider trading.

11. CONFIDENTIAL INFORMATION

11.1 General

Information about the Company's affairs should only be disclosed as required under the ASX Listing Rules. This includes the disclosure of the Company's Confidential Information.

The Company considers its Confidential Information as a very important asset. Therefore, the Company has a legitimate interest in protecting its Confidential Information from unauthorised disclosure and use.

11.2 Confidential Information

All Directors, and employees must:

- (a) take all reasonable steps and necessary precautions to maintain the secrecy and confidentiality of the Confidential Information; and
- (b) must keep confidential all Confidential Information and not disclose any Confidential Information to any person except:
 - (i) as required by law; or



- (ii) with the prior written consent of the Board, Chief Executive Officer, Chief Financial Officer or direct reports of the Chief Executive Officer or
 - (iii) in the proper performance of the employee's responsibilities and duties for the Company; and
- (c) maintain proper and secure custody of all Confidential Information and use his or her best endeavours to prevent the use or disclosure of any of the Confidential Information by third parties.

11.3 Management's role

The Board, Chief Executive Officer, Chief Financial Officer and direct reports of the Chief Executive Officer are responsible for identifying Confidential Information or secret information used in their departments and making employees aware of the information's status.

12. INSIDER TRADING

12.1 Offence under the Corporations Act

The Corporations Act makes it unlawful to deal in the Company's shares while in possession of price-sensitive information that has not been disclosed.

12.2 Corporations Act Requirements

It is unlawful for any Directors or employees or third parties representing the Company to buy, sell or otherwise deal in the Company's shares or other securities while in possession of undisclosed price-sensitive information.

It is also unlawful for Directors, or employees or third parties representing the Company in possession of undisclosed price-sensitive information to encourage someone else to deal in the Company's shares or other securities or pass the information onto someone they know or suspect may use the information to buy or sell the Company's shares or other securities.

The penalties for insider trading are severe and can include imprisonment.

12.3 Company Share Trading Policy

The Company's policy on the trading of its shares and other securities by Directors, employees and third parties representing the Company is contained in the Company's Share Trading Policy published on the Company's website.

13. MEDIA CONTACTS AND COMMENTS

If you have any questions arising from the Company's continuous disclosure policy you may contact the Company as follows:

Company Secretary
Palla Pharma Limited
Telephone +61 3 9301 0800
Facsimile + 61 3 9301 0899
E-mail companysecretary@pallapharma.com



14. REVIEW OF CHARTER

The Company's Board of Directors approved this Charter on 4 June 2020.

The Board will review this Policy as often as the Board determines appropriate and make any changes it determines necessary or desirable.

15. ACCESS TO THE CHARTER

This Charter will be available for viewing by any person on the Company's website or a copy will be sent upon request.