mertons
corporate governance specialists

Mertons' Update – Continuous Disclosure Checklist

The Do's and Don'ts

This update is intended to provide you with a guide to ensuring compliance with ASX Continuous Disclosure Obligations. If you would like further information or assistance with how this may affect your business, please contact:

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Ensuring Compliance

The Australian Securities Exchange (ASX) guidance note on continuous disclosure (Guidance Note 8) is a valuable resource for Directors and Officers of listed companies and their advisers.
Mertons would like to share some practical **do's and don'ts** for ensuring compliance with the ASX continuous disclosure obligation:

Do:

1. Have an effective disclosure framework including clear policies and procedures to ensure potential market sensitive information is communicated to the Board and considered in a timely manner.
2. Provide training for those who may handle price sensitive information so that employees understand their obligations and what is expected of them.
3. Be prepared to act quickly, consider creating a Disclosure Committee should the full Board not be available to react to the immediate nature of such disclosure.
4. Be prepared to use a trading halt.
5. Make announcements clear and complete. Highlight key information in announcements and be careful with headings.
6. Have a draft announcement prepared in the event that information becomes public when you are in the midst of confidential negotiations.
7. Be consistent with the level of detail disclosed to the market.
8. Monitor your companyͧs share price and any significant price movements.
9. Implement best practice policies for briefings and other discussions with analysts and institutional investors, ensuring the market is informed before presentations begin.
10. Be prepared to immediately disclose to the market in general, information inadvertently released at a briefing or discussion.

Don't:

1. Delay disclosure of negative news as this is not consistent with continuous disclosure obligations and can undermine market confidence in the company.
2. Be tempted to offset a negative event in one part of business against positive news from another part of the business.
3. Assume the reader is sophisticated or leave them to ͼread between the linesͽ
4. Try to manage the marketͧs expectations via discussions with a select group of people.
5. Discuss information that is not publicly available.