

## CONTINUOUS DISCLOSURE POLICY

### 1. Introduction

Kazia Therapeutics Limited has obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Listing Rules of the Australian Securities Exchange (**Listing Rules**) to keep the market fully informed of information which may have a material effect on the price or the value of the Company's securities.

The Company is committed to complying with its continuous disclosure obligations and to ensuring that trading in its securities takes place in a market which is orderly and informed and is not, or is not likely to be, false.

The Company has regard to the 3<sup>rd</sup> edition of Corporate Governance Principles and Recommendations issued by ASX Corporate Governance Council (**Corporate Governance Principles**) and ASIC Regulatory Guide 62, in designing this policy.

The continuous disclosure regime involves a high degree of judgment to determine when a disclosure is required and the information that must be disclosed. As a general rule, and in accordance with the Listing Rules, the Company will take a principles-based approach to disclosure to meet the letter and spirit of the continuous disclosure regime.

Information to be released to the market will be factual, not omit any material information and be expressed in an objective and clear manner.

As a dual listed entity, the Company must ensure that it communicates all relevant information to both financial markets, being ASX Limited (**ASX**) and Nasdaq Stock Market (**Nasdaq**).

### 2. Regulatory Obligations

#### 2.1 Listing Rule 3.1

This listing rule requires that the Company must immediately notify ASX (**ASX**) of any information the Company becomes aware of concerning itself that a reasonable

person would expect to have a material effect on the price or value of the Company's securities. This is known as the continuous disclosure obligation.

a) Immediately

The requirement to disclose price sensitive information immediately means that the Company must disclose information "promptly and without delay". Once it becomes aware of material price sensitive information, the Company will not be permitted to defer, postpone or put off disclosure to a later time and must release an announcement as quickly as it can in the circumstances.

b) Material effect on the price of securities

A reasonable person is taken to expect information to have a material effect on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

The Company contravenes its continuous disclosure obligations if it fails to notify the ASX of information required by ASX Listing Rule 3.1.

Either the ASX or ASIC, as co-regulators, may take action upon a suspected contravention.

## 2.2 Listing Rule 15.7

This listing rule requires that the Company must not release information that is for release to the market to any person or media until it has given the information to ASX and has received an acknowledgement that ASX has released the information to the market.

## 2.3 False market

If the ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must immediately give the ASX that information.

The obligation to give this information arises even if an exception described in section 2.4 applies.

The ASX may consider that there is or is likely to be a false market in the Company's securities in the following circumstances:

- where the Company has made a false or misleading announcement;
- where there is other false or misleading information, including a false rumour, circulating in the market; or
- where a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.

#### 2.4 Exceptions to continuous disclosure obligation

Disclosure is not required to the market where each of the following conditions is and remains satisfied:

a) one or more of the following apply:

- the information concerns an incomplete proposal or negotiation;
- the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
- the information is generated for the internal management purposes of the Company;
- the information is a trade secret; or
- it would be a breach of a law to disclose the information; and

b) the information is confidential; and

c) a reasonable person would not expect the information to be disclosed.

As soon as any one of these 3 conditions is no longer satisfied (e.g. the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligation.

In this respect, it should also be noted that if the ASX forms the view that the information has ceased to be confidential, then such information will no longer be regarded as confidential and must be released to the market.

The ASX will generally hold this view where there is a rumour circulating or there is media comment about the information and the rumour or comment is reasonably

specific and reasonably accurate or where there is a sudden and significant movement in the market price or traded volumes of the Company's securities that is not otherwise explicable. This highlights the importance of maintaining confidentiality of sensitive information.

## 2.5 Liability and enforcement

### a) ASX Listing Rules

If the Company contravenes its continuous disclosure obligations under the Listing Rules, the ASX may suspend trading in the Company's shares or may de-list the Company from the ASX.

### b) Corporations Act

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

- criminal liability which attracts substantial monetary fines; and
- civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to the ASX.

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.

ASIC has the power to issue infringement notices to the Company, and may also institute proceedings.

## 2.6 Persons involved in contravention and 'due diligence' defence

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

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

- a) took all steps (if any) that were reasonable in the circumstances to ensure that the Company complied with its continuous disclosure obligations; and
- b) after doing so, believed on reasonable grounds that the Company was complying with those obligations.

### **3. Responsibilities**

#### **3.1 The Board**

The Board is ultimately responsible for the Company's compliance with continuous disclosure obligations.

The Board has specific responsibility for disclosures in relation to the following matters:

- a) financial results;
- b) dividends;
- c) profit outlooks;
- d) resignations and appointments of directors;
- e) key strategic decisions,

and may, as required, delegate authority in relation to a disclosure of information to the ASX in relation to these matters to a committee of the Board or to the Company's Responsible Officers, as set out in 3.2.

#### **3.2 Officers**

The Board has appointed the following officers, or their delegates as Responsible Officers under this policy:

- a) the Chief Executive Officer (**CEO**);
- b) the Chief Operating Officer (**COO**);
- c) the Chief Financial Officer (**CFO**); and

d) the Company Secretary.

The Board has also appointed the Company Secretary as the primary person responsible for communications with the ASX in relation to Listing Rule matters.

The Responsible Officers listed above are responsible for:

- e) actively monitoring whether there is any information that may need to be disclosed to the market (including whether any information has been inadvertently or selectively disclosed);
- f) actively monitoring the status of any matter that may require disclosure under ASX Listing Rule 3.1;
- g) approving the disclosure of information to the ASX (including the form and content of such an announcement) or recommending to the Chairman that a Board meeting be convened to consider the matter;
- h) making relevant staff aware of the Company's continuous disclosure obligations; and
- i) developing and maintaining internal guidelines for promoting an understanding of compliance with this policy by the Company and its staff.

#### **4. Disclosure Process**

##### **4.1 Communications with Investors and Analysts**

The Board has authorized the:

- a) Chairman;
- b) CEO;
- c) COO;
- d) CFO;

and their delegates to represent the Company in all communications with investors and analysts.

No other Company staff members are authorised to communicate with investors or analysts on behalf of the Company unless previously authorised by the Chairman or by the CEO to make that particular communication.

The Responsible Officers may clarify information that the Company has publicly released to the ASX and Nasdaq, but must not make additional disclosures of information that would be likely to have a material effect on the price or value of the Company's securities, unless the information has been disclosed to the ASX in accordance with this policy and any relevant internal guidelines developed by the Company.

#### 4.2 Investors and Analysts Briefing Sessions

The Company views briefing sessions with investors and analysts as crucial parts of a pro-active investor relations and funding strategy.

All information disclosed during these briefing has been previously disclosed to ASX and Nasdaq.

The timing of open briefings will be notified on the Company's website in advance.

At these briefings, the Company will discuss:

- a) Company's historical financial results
- b) Company's outlook, funding strategy, vision and goals;
- c) Company's management philosophy and competitive advantage; and
- d) Non-market sensitive background and technical information to assist investors and/or analysts in understanding the Company's business activities.

All announcements to the ASX and Nasdaq are made available to investors from the Company's website as soon as practical following confirmation of release of the announcement by the ASX.

All market sensitive information is disclosed in a timely fashion to Nasdaq Market Watch and to the Securities Exchange Commission (via 6-K filing) in order to satisfy the Company's disclosure obligations.

#### 4.3 Briefing Materials

Any written materials to be used at open or individual briefings (e.g. slides presentations, papers) must be provided in advance to at least one of the Responsible Officers in order to determine whether any of the information contained in such materials has been previously disclosed to the ASX and Nasdaq and whether any such information may require prior disclosure to the ASX and Nasdaq.

Where appropriate, briefing materials will include a safe harbour statement or forward looking statement.

#### 4.4 False market prevention

As a general rule, the Company will not comment on rumours or speculation, including market rumours or media speculation.

The Company will use reasonable endeavours to safeguard and otherwise keep confidential all potentially market sensitive information so as to avoid, to the extent possible, premature disclosure of such information.

The Company acknowledges that, from time to time, it may be necessary to provide information to the ASX or Nasdaq if they consider that there is or is likely to be a false market in relation to the Company's securities following a reasonably specific rumour or media comments. In these cases, the Company must give the information they request to correct or prevent the false market.

#### 4.5 Trading Halts and other trading suspensions

The Company may request a trading halt or voluntary suspension from the ASX or Nasdaq to maintain orderly trading in the Company's securities or to prevent trading of the Company's securities in an inefficient and uninformed market.

The CEO in consultation with the Board will be responsible for determining whether a trading halt will be requested.

If a trading halt is required in circumstances where time does not permit consultation with the Board, the CEO is authorised to request a trading halt (without consultation with the Board).

A trading halt may be necessary in the following scenarios:

- a) where the Company is not in a position to issue an announcement to ASX immediately;



- b) market sensitive information requires disclosure under Listing Rule 3.1, however the Company considers the announcement to be so significant that it ought to be approved by the Board before it is released to ASX, but due to unavailability of the Directors, the Board is unable to meet promptly and without delay; or
- c) where the situation is uncertain or is evolving but is likely to resolve itself within a relatively short period (the maximum period of time allowed for a trading halt is 2 trading days) and the Company considers it would be better for the announcement to be delayed until there is greater certainty or clarity around the outcome.

If the Company does not believe a trading halt of 2 trading days would be sufficient time to resolve the disclosure issue, the Company should consider if a voluntary suspension is appropriate. The CEO in consultation with the Board will be responsible for determining whether a voluntary suspension will be requested.

In the event of a trading halt of voluntary suspension, the Board must be informed promptly.

## **5. Electronic Communication with Shareholders**

In addition to its continuous disclosure obligations, the Company has a policy of seeking to keep shareholders informed through electronic communication. Under this policy, the Company seeks to:

- provide a comprehensive and up to date website which includes copies of all material information lodged with the ASX (including announcements and financial information) as well as other Company information. The website also provides a facility for shareholders to direct enquiries to the Company;
- place all relevant announcements, briefings and speeches made to the market or media on the website;
- advise the market in advance of briefings to investors and analysts via the ASX and the website, and lodge all presentation materials with the ASX prior to the presentation commencing. The policy also requires the Company to place such information on the website promptly following completion of the briefing;
- place full text of notices of meeting, and accompanying explanatory notes on the website; and

- encourage shareholders to provide e-mail addresses so that the Company can notify them when announcements have been lodged with the ASX.

Providing as much information as possible to shareholders through electronic means reinforces the importance of ensuring that executives clearly understand the Company's continuous disclosure obligation and that the procedures set out in this Disclosure Policy are adhered to. This in turn assists in ensuring that all appropriate material information is identified and released to the market and the Company's shareholders in accordance with the Company's continuous disclosure obligation.

## **6. Review and Publication of Policy**

The Board or its committee will review this policy at least every two years.

This policy will be made available on the Company's website.