

Communication and Disclosure Policy

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A) Introduction

This document applies to all employees and Directors of Wotif.com Holdings Limited (**WTF**) and its subsidiaries (collectively referred to as the **Wotif Group**).

The purpose of this document is:

- to provide an overview of WTF's obligation to disclose material information to the Australian Stock Exchange Limited (**ASX**);
- to document the Wotif Group's system for reporting material price-sensitive information to WTF's Company Secretary to ensure all required disclosure occurs;
- to ensure the Wotif Group achieves best practice in complying with its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act;
- to ensure the Wotif Group, its officers and employees do not contravene the Corporations Act and the ASX Listing Rules (which carry serious penalties); and
- to promote effective communications and engagement with shareholders.

B) Executive Summary

The Wotif Group is required to immediately notify the ASX of all information of which it is aware which a reasonable person would expect to have a material effect on the price and value of WTF shares.

WTF Directors, the Managing Director and all direct reports to the Managing Director are to immediately advise the Company Secretary of any material information of which they have become aware that may require disclosure to the ASX.

Unless otherwise authorised by the Managing Director, only WTF's Chairman, Directors or Chief Financial Officer are authorised to speak on the Wotif Group's behalf to analysts, brokers, institutional investors or the financial press. Directors are not permitted to provide any financial guidance or commentary on the Wotif Group's financial situation.

It is illegal:

- **to deal (or procure others to deal) in WTF shares, options or derivatives at any time while in possession of non-public, price-sensitive information; and**
- **to communicate non-public, price-sensitive information to anyone likely to deal in or procure a third party to deal in WTF shares, options or derivatives.**

The Wotif Group is committed to ensuring effective and timely communications with shareholders including that the Company's shareholders are provided with sufficient information to assess the performance of the Company and to engage with the Board at and participate in general meetings.

C) The Continuous Disclosure Regime

What disclosure is required

The ASX Listing Rules (see Appendix 1) and the Corporations Act require WTF to immediately notify the ASX of any information concerning the Wotif Group of which it is, or becomes aware, and which a reasonable person would expect to have a material effect on the price and value of WTF shares. This requirement is commonly referred to as the continuous disclosure obligation.

• When is WTF aware of information

WTF is aware of information if a Director or executive officer 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 executive officer of the Wotif Group.

An "executive officer" means a person who is concerned in, or takes part in, the management of the Wotif Group. A person can be an executive officer regardless of his or her designation, and irrespective of whether or not the person is a Director.

• What information has a material effect on price

The effect of information on the price or value of WTF shares is to be judged by the expectations of a "reasonable person". A reasonable person would expect information to have a material effect on the price or value of WTF shares if the information would, or would be likely to, influence investors who commonly invest in shares in deciding whether or not to deal in WTF shares.

Ramifications of failing to comply

A failure to comply with the continuous disclosure obligations is extremely serious, and may result in the following actions being taken:

• Removal from the ASX

The ASX may at any time remove an entity from the Official List of the Exchange if the entity breaches a Listing Rule.



- **Criminal Liability**

Under the Corporations Act criminal liability may arise involving:

- substantial monetary fines for the Company; and
- substantial monetary penalties and/or imprisonment for individuals involved in the contravention (including officers, employees or advisers who aid, abet, counsel, procure or are knowingly concerned in the contravention).

- **Civil Liability**

Civil liability may arise for any loss or damage suffered by a person as a result of the Company's failure to disclose relevant information to the ASX. The loss suffered can be recovered from WTF, or against "any person involved in the contravention". This could include the Directors or employees of the Wotif Group.

- **ASIC Infringement Notice**

If ASIC has reasonable grounds to believe a company has failed to comply with its continuous disclosure obligations, it may issue an infringement notice setting out the alleged contravention and requiring the payment of a penalty.

Exemption from Disclosure

The Listing Rules provide that WTF does not need to disclose information if **all** of the following are satisfied:

1. A reasonable person would not expect the information to be disclosed (Listing Rule 3.1A.1); **and**
2. The information is confidential¹ and the ASX has not formed the view that the information has ceased to be confidential (Listing Rule 3.1A.2); **and**
3. One or more of the following applies (Listing Rule 3.1A.3):
 - it would be a breach of a law to disclose the information;
 - 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 internal management purposes of the Wotif Group; or
 - the information is a trade secret.

The above exemption from the requirement to make disclosure **only operates while all three elements are satisfied. If any of the requirements cease to be satisfied, WTF must disclose the information immediately.**

¹ "Confidential" in this context has the sense of secret, and generally implies control by the Wotif Group of the use that can be made of the information. The mere fact that a confidentiality agreement has been entered into will not automatically satisfy this element. Confidential means that no one in possession of the information is entitled to trade in WTF's shares. Unusual activity in WTF's shares may suggest that the information is no longer confidential.

For example, if information that has not been disclosed by relying on the exemption becomes known in some way to participants in the market, then it **must** be given to the ASX for release to the market, as it would no longer satisfy the confidentiality requirement. It does not matter how the matter became known in the market.

Applying the Exemption in Practice

The exemption from disclosure would apply, for example, to information that is confidential, which a reasonable person would not expect to be disclosed, and which falls within any one of the following descriptions:

- proposed acquisitions or disposals or other commercial arrangements in the process of negotiation;
- internal budgets and forecasts;
- management accounts;
- business plans;
- internal market intelligence;
- information prepared for lenders; or
- dispute settlement negotiations.

There may be matters that would be **detrimental** for the Wotif Group to disclose, which may still need to be disclosed because they do not fall within the exemptions. For example:

- a serious claim against the Company prior to the commencement of proceedings; or
- an investigation or allegation by a regulatory body (that is not being disputed by the Company);
- information about a "complete" proposal.

Whether these sorts of matters will fall within any of the exceptions will depend on, and require, an assessment of particular facts.

D) ASX Policy

The ASX has issued a Guidance Note in relation to Listing Rule 3.1. The ASX states that the guidance note is only a guide as to ASX practice, and that entities should contact the ASX to discuss their particular circumstances and the application of the Listing Rules. Set out below are some of the highlights from the Guidance Note.

- **Prime Importance**

The ASX states that timely disclosure of relevant information is of prime importance to the operation of an efficient market. The fundamental principle under which the Listing Rules operate is that "... *timely disclosure must be made of information which may affect security values or influence investment decisions and information in which security holders, investors and ASX have a legitimate interest.*"

- **Continuous Disclosure Practice**

The Listing Rules make it clear that all Listing Rules (including Listing Rule 3.1) must be complied with in the "spirit" of continuous disclosure. The ASX states that the



Listing Rules are not intended to be interpreted in a legalistic or restrictive manner.

• **Market Speculation**

The ASX notes that from time to time it may be necessary to respond to speculation in order for the market to remain properly informed.

The ASX states that it does not expect companies to respond to all comments made in the media, or to respond to all market speculation. However, when the comment or speculation becomes reasonably specific, or the market moves in a way that appears to be referable to the comment or speculation, the company should make a statement in response to ensure the market remains properly informed.

It is ASX policy that whatever the information, and however much it might otherwise have been reasonable not to disclose it, the information should be released to the whole market once it becomes known to any part of the market.

• **Disclosure of Information to Brokers and Press**

The Listing Rules have the effect that the Wotif Group must not release information which is for release to the market to any person (including the media, even on an embargoed basis) until it has given the information to the ASX, and has received an acknowledgement that the ASX has released it to the market.

With respect to analysts, the ASX states that a company must only disclose public information in answering analysts' questions, or reviewing analysts' draft reports. The ASX states that it is inappropriate for a question to be answered, or a report corrected, if doing so involves providing material information that is not public. The ASX states that when analysts visit the company, care should be taken to ensure that they do not obtain material information that is not public.

• **Internal Disclosure**

Employees will have access to information that is confidential. The employees with such access should be made aware of its confidential nature. The ASX notes that companies should ensure that confidential information does not find its way into "in-house" publications.

E) False Market

The Listing Rules provide that if the ASX considers that there is, or is likely to be, a false market in WTF's securities, WTF must provide the ASX with the information that it requests to correct or prevent the false market. The ASX states that entities must disclose information needed to correct or prevent a false market because 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.

A false market could arise in a number of circumstances: for example, the Wotif Group may have information that it has not disclosed due to the exception provided under Listing Rule 3.1A, and comment about that information (or part of it) may be made in the news media. If this comment is inaccurate or only partly accurate, even though confidentiality has not been lost,

the inaccurate or partly accurate comment might result in a false market in the entity's securities. In such an instance, the entity would be required to clarify the position.

A false market may also arise where an entity does not have disclosable information and comment is made about the entity that is wholly inaccurate and the entity does not clarify the position. In such circumstances the ASX would ask the entity to do so.

F) Insider Trading and Tipping

The Corporations Act prohibits the following conduct:

- A person (the "insider") trading in shares while in possession of information that is not "generally available" to the market, but which if it became "generally available" could reasonably be expected to materially affect the price of WTF's shares.
- A person "tipping" or communicating non-public, price-sensitive information to another person who is likely to trade in WTF's shares. An offence is committed even if the person to whom the information is provided is told not to trade in the shares until a public announcement is made, if it is thought likely that the person will disregard that instruction.

The Corporations Act provides that information becomes "generally available" once it has been published and enough time has elapsed for it to be disseminated in the market.

The prohibition on "insider trading" and "tipping" applies not only to company directors and staff, but also to anyone outside the Wotif Group who has non-public information that may affect the price of WTF shares.

In addition, it is possible that Wotif Group Directors and employees could be aware of non-public, price-sensitive information relating to other listed companies that, if the shares in that company were purchased, could breach the insider trading restrictions (for example, a company with which the Wotif Group is considering entering into a major contract).

Under the Corporations Act, an offence of the "insider trading" or "tipping" prohibitions is punishable by significant fines and/or jail.

G) WTF's Continuing Disclosure System

Underlying Principles

As will be apparent from the above, it is essential for the Wotif Group to design a disclosure system to ensure that:

- a breach of continuous disclosure provisions of the ASX Listing Rules and the Corporations Act does not occur; and
- information is made available to all investors equally.

Reporting Group

Each of the following personnel (**Reporting Group**) will need to participate in the "continuous disclosure" system, because information in their possession will need to be considered in order to comply with the continuous disclosure obligation:



- WTF Directors;
- Managing Director;
- all direct reports to the Managing Director.

Overseeing and Coordinating Disclosure

The Company Secretary will be responsible for:

- ensuring WTF complies with its continuous disclosure obligations to the ASX;
- overseeing and coordinating disclosure of information to the ASX; and
- reviewing information to be provided to analysts, brokers, the media and the public, in order to be able to ensure any market-sensitive material has been released to the ASX.

Information Collecting Procedures

The responsibilities of each member of the Reporting Group are:

- to ensure all notifiable (market-sensitive) information is kept confidential within the Reporting Group;
- to collect and forward to the Company Secretary all information which is, or may be, required to be disclosed, and consult with him/her if in doubt; and
- to make senior personnel within their area of responsibility aware of WTF's disclosure obligations to ensure that all relevant information is provided to them.

Releasing information to the ASX

The following points outline WTF's system for releasing information to the ASX:

- When any member of the Reporting Group becomes aware of information that he/she believes may need to be disclosed on the basis of the principles described in this document, they should immediately contact and give full details to the Company Secretary.
- The Company Secretary will take the following steps in relation to information forwarded to him:
 - assess whether disclosure is required;
 - consult the Managing Director and other advisers (including the ASX) as necessary;
 - prepare a market release for provision to the ASX;
 - obtain the approval of the Managing Director for general releases. In the case of profit announcements and strategically or financially significant announcements (including announcements regarding acquisition activity) to the extent possible also consult and obtain the approval of the Board or the Chairman or the Chairman of the Audit and Risk Committee in circumstances where an urgent release is required);
 - forward the release to the ASX; and
 - circulate the release to the Board following confirmation of release by the ASX.

- For each set of Board Papers, there should be an agenda item entitled "Continuous Disclosure". In this item, the Company Secretary should either:
 - confirm that there was no material brought to his/her attention requiring disclosure for the preceding month; or
 - provide a record of releases made.

Company Spokespersons

In order to maintain control over disclosures, only the following persons will be authorised to speak on the Wotif Group's behalf to analysts, brokers, institutional investors and the financial press:

- Chairman;
- Directors;
- Chief Financial Officer.

Directors are not permitted to provide any financial guidance or commentary on the Wotif Group's financial situation.

Authorising Disclosures in Advance

Again, in order to avoid an inadvertent breach of the continuous disclosure obligations, materials to be presented and issues to be discussed **at external presentation** must be discussed with the Company Secretary prior to presentation in order to confirm no non-public material information is being disclosed.

Wotif Group Website

Information released to the ASX is displayed on the Wotif Group website.

Handling Rumours, Leaks and Inadvertent Disclosures

Any unauthorised leak of information may place WTF in breach of the Listing Rules and the Corporations Act which could expose individuals to allegations of insider trading.

If external contact is made seeking clarification of a rumour in the market place, the enquiry should be referred to the Managing Director or the Chief Financial Officer. The recommended response to such query is that "the Wotif Group does not respond to market rumours". Consideration will then be given by the Company Secretary as to whether a public announcement is required.

The Reporting Group should notify the Company Secretary of any unauthorised disclosure of information (even if regarded as non-public sensitive). Consideration will then be given to the need to make an ASX disclosure.

Reviewing Discussions

Any substantive contact with analysts, brokers, financial press and institutional investors should be advised to the Company Secretary so as to ensure that no disclosable material has been inadvertently disclosed.

Draft Analyst Reports

Typically, analysts will seek to obtain a review by the Company of their draft analyst reports. It is permissible to comment on



errors in factual information and underlying assumptions, but comment on price-sensitive information should not be made.

As an example, any statement to an analyst that their profit forecast is too high or low may be price-sensitive information if it indicates that the Wotif Group's current market projections are inaccurate. The Corporations Act and ASX Listing Rules require the Wotif Group to correct its earning forecast or any other projections that may affect its share price before responding to the analyst.

Briefing Black-out Periods

Interviews and presentations to be given in the period commencing on 1 December to release of the Wotif Group's half year results, and 1 June to release of the Wotif Group's full year results must be approved by the Managing Director.

H) Communication with Shareholders

WTF's Directors are responsible for ensuring effective and timely communications with shareholders including that shareholders are provided with sufficient information to assess the performance of the Wotif Group.

The Wotif Group facilitates and encourages electronic communications (specifically using email and the web channels) with its shareholders. In addition to the Annual Report, WTF uses its corporate website (located at www.wotifgroup.com) to communicate with its shareholders. The Wotif Group's website provides electronic access to the latest and past annual reports, all ASX releases, share price information, presentation material and notification of upcoming events.

Active use of electronic communications enables the Company and its shareholders to benefit from lower shareholder communication costs, promotes self-service capabilities and reduces the Company's carbon footprint. The Wotif Group will continue to promote awareness of electronic channels to encourage shareholder conversion to electronic communications.

Shareholders are encouraged to attend, vote and direct questions to the Board and its external auditors at the Annual General Meeting and other general meetings. WTF requires its external auditors to attend its Annual General Meeting.

I) Further Information

The disclosure obligations under the Listing Rules are expressed in general terms and are not always simple to apply in practice. Much will depend on the facts in existence at a particular point in time. In all instances, it is preferable to err on the side of caution and consult with the Company Secretary if in doubt.

APPENDIX 1

Listing Rule 3.1: Immediate Notice of Material Information

The following text is quoted directly from *ASX Listing Rules*, "Chapter 3 Continuous Disclosure".

General rule

- 3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.
- 3.1A Listing Rule 3.1 does not apply to particular information while all of the following are satisfied.
- 3.1A.1 A reasonable person would not expect the information to be disclosed.
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.
- 3.1A.3 One or more of the following applies.
- It would be a breach of a law to disclose the information.
 - 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 internal management purposes of the entity.
 - The information is a trade secret.

