



Fatfish Internet Group Limited (ASX:FFG)

Continuous Disclosure Policy

Adopted by

The Board on 7 April 2015

Continuous Disclosure Policy

1. Scope This Policy applies to all directors and employees of Fatfish, in relation to all information of which they become aware in the course of their duties.

2. Purpose The purpose of this Policy is to: assist Fatfish in complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules; establish a framework to enable Fatfish to provide shareholders and the market generally with timely, direct and equal access to relevant information about Fatfish; and promote investor confidence in the integrity of Fatfish and its securities through the application of disciplined disclosure procedures by its directors and employees.

3. Definitions In this Policy:

AROC means the Audit and Risk Oversight Committees of the Board.

ASIC means the Australian Securities and Investments Commission.

Board means the board of directors of Fatfish.

CEO means the Chief Executive Officer of Fatfish.

Corporations Act means the Corporations Act 2001 (Cth).

Discloseable Information means Market Sensitive Information that is not exempted from disclosure and has not previously been disclosed by Fatfish to ASX.

Disclosure Committee means the committee comprising the CEO, the CFO and the Group General Counsel and Company Secretary, or any of them as permitted under this Policy.

Disclosure Officer means the CEO, Group General Counsel or Company Secretary.

Fatfish means Fatfish Internet Group Limited and, as the case requires, its related bodies corporate.



Fatfish Internet Group Limited (ASX:FFG)

Market Sensitive Information means information that a reasonable person would expect to have a material effect on the price or value of Fatfish' securities as that information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Fatfish' securities.

4. Policy principles

a. Key disclosure principles As soon as Fatfish becomes aware of any Market Sensitive Information, it must notify the market via an announcement to ASX, unless exempted from doing so by the ASX Listing Rules. All releases of Market Sensitive Information must first be made through ASX before disclosure to any external party. All directors and employees of Fatfish must notify a member of the Disclosure Committee as soon as they become aware of information that may be Market Sensitive Information which has not been previously released to ASX by Fatfish. Each director and employee of Fatfish who possesses confidential information that may be Market Sensitive Information must protect and preserve the confidentiality of that information unless and until it is disclosed in accordance with this Policy.

b. Overview of legal requirements and best practice

Fatfish is a public company listed on ASX. It is subject to continuous disclosure requirements under the Corporations Act and the ASX Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to periodic and specific disclosure requirements. In addition to these legal requirements, there are a number of guidelines and recommendations published by various bodies (including, in particular, ASX Guidance Note 8) which, though not necessarily mandatory, set out various views in relation to best practice in the area of continuous disclosure and which Fatfish aims to take into account.

The disclosure requirement

The primary continuous disclosure obligation is contained in ASX Listing Rule 3.1, which states that:

"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."

For the purpose of this obligation, "immediately" means "promptly and without delay". It is therefore important that the process set out in section 2 of Schedule



Fatfish Internet Group Limited (ASX:FFG)

4 is progressed as quickly as possible in the circumstances and disclosure is not deferred, postponed or put off to a later time.

In particular, it is critical that all directors and employees of Fatfish notify a member of the Disclosure Committee as soon as they become aware of information that may be Market Sensitive Information which has not been previously released to ASX by Fatfish. This is because Fatfish is considered to be "aware" of information for the purposes of its continuous disclosure obligation if a director or officer (including a "senior manager") of Fatfish has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or officer of the company (see section 6 of Schedule 1 for further discussion of the concept of awareness).

In this context, "information" includes not only pure matters of fact, but also matters of opinion and intention. It can therefore include matters that are not purely factual, such as statements made by third parties or changes in expectations regarding future circumstances. Officers and employees of Fatfish should therefore approach the concept of "information" broadly when considering whether any such matters of which they are aware constitute "information" for the purposes of ASX Listing Rule 3.1.

Section 4 of Schedule 1 contains examples of the kinds of matters relevant to Fatfish that may give rise to Market Sensitive Information. These include (but are not limited to): mergers, acquisitions, divestments, joint ventures or changes in assets; litigation; other matters affecting Fatfish's income, cash flows, ability to generate profits or otherwise impacting on Fatfish's financial forecasts or expectations (including the relationship of those forecasts or expectations to analysts' forecasts); matters which may have an adverse effect on Fatfish's reputation; and any other matters that may have a material effect on Fatfish's business or assets.

Further discussion of the concept of Market Sensitive Information is contained in sections 2 to 5 of Schedule 1.

Exception to the continuous disclosure obligation

ASX Listing Rule 3.1A contains an exception to ASX Listing Rule 3.1 so that disclosure is not required where certain requirements are satisfied (details of this exception are set out in Schedule 2). One of the conditions to the availability of the exception is that the relevant information must be confidential (and ASX must not have formed the view that the information has ceased to be confidential). Accordingly, all directors and employees of Fatfish must preserve and protect the confidentiality of any potentially Market Sensitive Information they possess.

In particular, directors and employees must: observe Fatfish' "no comments" policy and notify the Disclosure Officer as soon as possible if they are



Fatfish Internet Group Limited (ASX:FFG)

approached by the media or any external parties for information; notify the Disclosure Officer immediately if they become aware that Market Sensitive Information not previously disclosed to ASX may have been inadvertently disclosed to an external party, or confidential Fatfish information may have been leaked (whatever its source); and refrain from participating in social networking or other internet sites where the subject matter relates to the business affairs of Fatfish (unless authorised by a member of the Disclosure Committee to participate in such sites in accordance with this Policy).

Further details of Fatfish' approach to confidentiality and any loss thereof, and guidelines for communicating with and responding to external parties, are set out in section 2 of Schedule 2, and Schedule 5.

It is important to note that it is the role of the Disclosure Committee to decide whether the disclosure obligation or the exception to it applies. Individual directors and employees should therefore err on the side of caution in reporting potentially Market Sensitive Information to the Disclosure Committee, and must not refrain from reporting potentially Market Sensitive Information to the Disclosure Committee on the basis of a prejudgment as to the applicability of this exception.

5. Responsibilities All directors and employees have a role to play to ensure that Fatfish achieves the objectives of this Policy. In particular, all directors and employees are responsible for: o reading this Policy carefully and familiarising themselves with the policy and procedures it details; o immediately reporting to a member of the Disclosure Committee if they become aware of any information that may be Market Sensitive Information arising in their division, business unit or area of responsibility that has not been previously disclosed; and preserving and protecting the confidentiality of any confidential information that may be Market Sensitive Information. The Group General Counsel and Company Secretary has been appointed as Disclosure Officer and is responsible for, among other things, reporting Disclosable Information. Authorised Spokespersons are the only Fatfish directors and employees authorised to speak on behalf of Fatfish to external parties. The Authorised Spokespersons are the CEO, the CFO, the Director – Corporate and Public Affairs and any other persons authorised by these officers or the Board from time to time. When communicating with external parties, Authorised Spokespersons must ensure that no Market Sensitive Information that has not previously been disclosed to ASX by Fatfish is disclosed in the course of the communication, by limiting the communication to information already in the public domain or that is not material (erring on the side of caution in this regard).

Further details of the procedures Authorised Spokespersons are required to follow when communicating with external parties are contained in section 3 of Schedule 3, and Schedule 5. These include procedures relating to pre-vetting by



Fatfish Internet Group Limited (ASX:FFG)

the Disclosure Committee of all written material proposed to be used at investor or analyst briefings or in media interviews, and relating to dealings with analysts' reports. The Disclosure Committee (comprising the CEO, the CFO and the Group General Counsel and Company Secretary) is responsible for the overall administration of this Policy (including ensuring compliance) and all communications with ASX. The Board is responsible for approving this Policy and any amendments, monitoring the effectiveness of Fatfish' continuous disclosure compliance, and reviewing significant ASX announcements where appropriate. Further details of the allocation of responsibilities for the administration and implementation of this Policy are set out in Schedule 3.

6. Compliance

a. Monitoring compliance

The Disclosure Committee has day-to-day responsibility for monitoring compliance with, and the effectiveness of, this Policy and the outcomes of Fatfish' disclosure process.

b. Non-compliance

Fatfish takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Corporations Act or the ASX Listing Rules. This may result in: civil or criminal liability (including by way of a shareholder class action or an infringement notice issued by ASIC) for Fatfish; personal civil or criminal liabilities for directors and employees who are involved in, or who aid, abet or are in any way knowingly concerned in, a contravention by Fatfish; and damage to Fatfish' reputation.

Breaches of this Policy may result in disciplinary action against relevant employees, including dismissal in serious cases.

7. Review This Policy will be regularly reviewed by the Disclosure Officer as legislative requirements change and best practice for continuous disclosure evolves. The Board will review this Policy periodically as required. Any withdrawal, amendment or replacement of this Policy must be approved by the Board.

8. Document control

Management Board Owner

Company Secretary

Date of Approval by the Board

7 April 2015



Fatfish Internet Group Limited (ASX:FFG)

Schedule 1

Immediacy, market sensitivity and awareness

1. Meaning of "immediately"

ASX Listing Rule 3.1 requires Market Sensitive Information to be released "immediately" upon an entity becoming aware of it.

ASX's Guidance Note 8 indicates that "immediately" means "promptly and without delay". ASX policy recognises that there will necessarily be a period of time between when Fatfish becomes aware of Market Sensitive Information (and therefore becomes obliged to give the information to ASX in order to satisfy its continuous disclosure obligation, subject to the applicability of any exception) and when Fatfish is able to make an announcement to ASX. Provided that Fatfish is progressing the process set out in section 2 of Schedule 4 as quickly as it can in the circumstances and is not deferring, postponing or putting off disclosure to a later time, the passing of such a period of time does not, in and of itself, mean that there has been any relevant "delay" by Fatfish.

Circumstances that Guidance Note 8 acknowledges may affect the speed with which a notice can be given by Fatfish in compliance with ASX Listing Rule 3.1 include: where and when the information originated; the forewarning (if any) Fatfish had of the information; the amount and complexity of the information concerned; the need in some cases to verify the accuracy or bona fides of the information; the need for an announcement to be carefully drawn so that it is accurate, complete and not misleading; the need in some cases to comply with specific legal or ASX Listing Rule requirements; and the need in some cases for an announcement to be approved by the Board or Disclosure Committee.

2. Nature of Market Sensitive Information

The ASX Listing Rules do not explain when information will be regarded as information that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Fatfish' securities, and therefore constitute Market Sensitive Information.

ASX Guidance Note 8 indicates that, in ASX's view, "influence" means more than merely "have some effect upon", as it connotes materiality. Additionally, in ASX's view materiality should not be assessed from the perspective of traders who trade on the basis of very short term price fluctuations and without reference to the inherent value of securities or any intention to hold them for any meaningful period of time.

The test for determining materiality is an objective one. ASX has indicated that, quantitatively, the parameters it uses for determining whether or not to refer a potential breach of ASX Listing Rule 3.1 to ASIC may be a useful guide as to the



Fatfish Internet Group Limited (ASX:FFG)

order of magnitude of the likely change in price or value of Fatfish' securities that would be indicative of market sensitivity. In brief, those parameters are that, where information appears to ASX to have moved the market price of Fatfish' securities (relative to prices in the market generally or in Fatfish' sector) by roughly:

(a) 10% or more, ASX will generally regard that as confirmation that the information was market sensitive;

(b) 5% or less, ASX will generally regard that as confirmation that the information was not market sensitive; and

(c) between 5% and 10%, ASX will consider a range of factors (including the nature and significance of the information, the market capitalisation of Fatfish, the beta of Fatfish' securities, the bid-offer spread at which Fatfish' securities normally trade, and whether there was a noticeable spike in trading volumes).

3. Process for determining materiality

Subject to the Board's supervision, the Disclosure Committee is responsible for making decisions about information to be disclosed. Where there is doubt as to whether certain information should be disclosed, the Disclosure Committee will discuss the issue, and if necessary, seek external advice.

The Disclosure Committee may develop further guidelines for determining what may be Market Sensitive Information for separate Divisions and business units. For example, such guidelines may be in the form of quantitative ranges which are considered material having regard to Fatfish' business activities, size and place in the market.

4. Potential examples of Market Sensitive Information

The following provides a guide as to the type of information that may require disclosure. This is not an exhaustive list. As noted above, the determination of whether certain information is Market Sensitive Information which is subject to continuous disclosure necessarily involves the use of judgment. Subject to the Board's supervision, decisions on disclosure issues are for the Disclosure Committee to resolve.

Matters which may require disclosure under ASX Listing Rule 3.1 include:

(a) a matter that might affect Fatfish' ability to carry on business, or that might have a material effect on future activity;

(b) a matter that might have a material effect on income, cash flow or the ability to generate profits (including where there would be a long term effect even if the effect in any one year is not material);



Fatfish Internet Group Limited (ASX:FFG)

- (c) a matter involving a significant change in technology or its application that could affect Fatfish' business;**
- (d) a matter involving any proposed change in regulation or law that could materially affect Fatfish' business;**
- (e) a matter involving a significant allegation of any breach of the law, whether civil or criminal, by Fatfish or any of its directors or employees;**
- (f) a change in Fatfish' financial forecasts or expectations, or a divergence between analysts' forecasts and management's own expectations (see section 5 below);**
- (g) events regarding Fatfish' securities or financing (e.g. under or over subscriptions to an issue of securities, or a share repurchase program, or a default or other event entitling a financier to terminate a material financing facility) (proposed capital reorganisations or securities issues must be disclosed under ASX Listing Rule 3.10);**
- (h) giving or receiving a notice of intention to make a takeover (but see section 1(a) of Schedule 2);**
- (i) a transaction which would lead to a significant change in the nature or scale of Fatfish' activities;**
- (j) material mergers, acquisitions/divestments, joint ventures or changes in assets;**
- (k) the grant or withdrawal of a material licence;**
- (l) any rating applied by a rating agency to Fatfish or its securities, and any change to such a rating.**
- (m) becoming a plaintiff or defendant in a material lawsuit;**
- (n) developments in regard to projects or ventures;**

Continuous Disclosure Policy

- (o) decisions by regulators having an impact on Fatfish (such as by the Australian Competition and Consumer Commission);**
- (p) natural disasters or accidents that have particular relevance to or impact on the businesses of Fatfish or its suppliers;**
- (q) the appointment of a receiver, manager, liquidator or administrator in respect of Fatfish or any of its subsidiaries, or an event which could result in Fatfish or any of its subsidiaries becoming insolvent;**
- (r) matters that may have an adverse effect on Fatfish' reputation; or**



Fatfish Internet Group Limited (ASX:FFG)

(s) matters that are in some other way onerous, unusual or so outside the ordinary course of business that they ought to be considered.

5. Earnings variations

ASX has indicated that, all other things being equal, a listed entity is not expected to release the information contained in its half yearly or annual financial statements ahead of their scheduled release date. Sometimes, however, in the course of preparing financial statements (or indeed at any other time), Market Sensitive Information may become apparent that ought to be disclosed immediately under ASX Listing Rule 3.1. Two areas where this issue commonly arises are earnings variations and post-balance date events.

If Fatfish becomes aware that its earnings for a reporting period will materially differ (downwards or upwards) from market expectations (whether based on company earnings guidance, analyst estimates or earnings for the prior corresponding period), careful consideration will need to be given as to whether Fatfish is required by ASX Listing Rule 3.1 to notify the market of that fact.

ASX's guidance is that such variations should be disclosed where the difference is of such magnitude that a reasonable person would expect it to have a material effect on the price or value of Fatfish' securities (having regard to factors such as whether near term earnings are a material driver of share price, whether the difference is cash or non-cash, whether it is permanent or temporary, and whether it is recurring or a one-off).

To the extent that Fatfish has given specific earnings guidance, that guidance will be the most useful reference point for assessing whether a variation is material. ASX suggests that the guidance on materiality in the Australian accounting standards be applied, namely that an expected variation from published earnings guidance that is: equal to or greater than 10% should be treated as material; and equal to or less than 5% should be treated as not material.

Fatfish will assess any expected variations from published earnings guidance falling between 5% and 10% on a case-by-case basis.

Where Fatfish has not given specific earnings guidance, analyst forecasts will be the most useful reference point for assessing whether a variation is material. Fatfish' view is that generally consensus estimates will be the best indicators of analyst forecasts, however there may be circumstances where a consensus estimate is distorted by the presence of outliers such that a consensus estimate adjusted to exclude such outliers may be a more meaningful reference point. See section 5 of Schedule 5 for further information on Fatfish' approach to analyst reports.



Fatfish Internet Group Limited (ASX:FFG)

In these circumstances, there are no fixed percentage variations to consensus estimates (adjusted or otherwise) that ASX recommends in determining materiality. As such, whether disclosure will be required in the case of an expected variation will depend on a general assessment of whether the information is likely to be market sensitive, having regard to the factors set out in this Policy.

6. Awareness

Under ASX Listing Rule 19.12, Fatfish becomes aware of information if a director or officer of Fatfish has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or officer of the company.

An "officer" of Fatfish includes a director, secretary or "senior manager" as defined under the Corporations Act.

The effect of this ASX Listing Rule is that, in addition to actual knowledge of its directors and officers, Fatfish may be deemed to be aware of information known by any employee of Fatfish where the information is of such significance that it ought reasonably to have been brought to the attention of a Fatfish officer. In recognition of this, one of the aims of this Policy is to ensure that appropriate persons within Fatfish actually become aware of information of which a director or officer ought to have been aware, so that Fatfish' disclosure obligations can be met.

It needs to be recognised, however, that (as Guidance Note 8 acknowledges) there can be an important distinction between an officer of Fatfish being in possession of a particular piece of information, and that officer being in a position to assess whether that information is Market Sensitive Information. According to that guidance, Fatfish will not be "aware" of information for the purposes of ASX Listing Rule 3.1 until such time as the relevant Fatfish officer is, or ought reasonably to be, in possession of sufficient information about a particular event or circumstance in order to be in a position to assess whether it is Market Sensitive Information. Officers of Fatfish must therefore act promptly in taking the necessary steps to assess the materiality of information (including, where necessary, making further enquiries or obtaining any advice needed in order to confirm that the information is Market Sensitive Information).



Fatfish Internet Group Limited (ASX:FFG)

Schedule 2

Exception to disclosure

1. Overview of exception

ASX Listing Rule 3.1A contains an exception to ASX Listing Rule 3.1 so that disclosure is not required where each of the following three tests is satisfied:

a. Test 1: One or more of the following applies:

(a) It would be a breach of a law to disclose the information.

ASX's guidance states that in order for this criterion to apply, the disclosure of the relevant information must breach a specific statute, regulation, rule, administrative order or court order binding on Fatfish. It is not sufficient if the information is merely subject to general law or contractual duties of confidentiality.

(b) The information concerns an incomplete proposal or negotiation.

In the case of reliance on the information being an incomplete proposal or negotiation, if the proposal or negotiation is finalised, Fatfish will need to ensure that the information is disclosed immediately or arrange for a trading halt to be requested until the information can be disclosed. See section 7 of Schedule 4 regarding the use of trading halts to facilitate continuous disclosure compliance.

ASX's position is that negotiations are incomplete until they result in a legally binding agreement or until Fatfish is otherwise committed (for example, through a handshake or side letter) to proceeding with the transaction being negotiated. Therefore whilst signing of the relevant agreement may be arranged for when the market is not trading, Fatfish may not delay disclosure by delaying signing where it has already committed to proceed with the transaction.

Similarly, ASX's guidance indicates that a proposal involving Fatfish (either unilaterally or involving other parties) will be incomplete unless and until Fatfish has adopted and is committed to proceeding with it.

Any receipt of a confidential takeover proposal, or decision to pursue or reject a takeover proposal, is therefore not generally required to be disclosed unless and until Fatfish is committed to such a transaction.

(c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure.



Fatfish Internet Group Limited (ASX:FFG)

ASX's guidance on this criterion differentiates between: situations where the likelihood of a matter occurring, or its impact if it does occur, is uncertain; and situations where Fatfish is aware of information about a known event or circumstances and is aware that the event or circumstance is market sensitive, but Fatfish requires time to put a figure or estimate on its financial impact.

ASX's position is that, in the latter case, Fatfish will need to either make an interim announcement disclosing such information (and a subsequent announcement once Woolworth has clarified the relevant financial impact), or request a trading halt or voluntary suspension if appropriate (see section 7 of Schedule 4).

(d) The information is generated for internal management purposes of Fatfish.

(e) The information is a trade secret.

b. Test 2: The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

The ASX Listing Rules acknowledge that Fatfish may give information to third parties in the ordinary course of its business and activities and continue to satisfy this requirement, provided that Fatfish retains control over the use and disclosure of the information. For example, the information may be given to Fatfish' advisers for the purposes of obtaining advice or to a party with whom Fatfish is negotiating for the purposes of the negotiation.

It is essential that information which is to be withheld from the market remains subject to strict confidentiality procedures and is not leaked. If the information is leaked, even in breach of an obligation of confidentiality, it is no longer confidential and must be disclosed to ASX. Even if information has not been technically leaked, ASX may consider that it is no longer confidential, in which case it must also be disclosed to ASX. Section 2 below discusses the maintenance and loss of confidentiality further.

c. Test 3: A reasonable person would not expect the information to be disclosed.

According to ASX's guidance this test has a very narrow field of operation and will generally be satisfied if Tests 1 and 2 are satisfied unless there is something in the surrounding circumstances sufficient to displace the general rule, such as:

(a) if an entity were to "cherry-pick" disclosures by disclosing positive information of a particular kind whilst withholding negative information of the same kind; or

(b) if the information needs to be disclosed in order to prevent other information disclosed by an entity under ASX Listing Rule 3.1 from being misleading or deceptive.



Fatfish Internet Group Limited (ASX:FFG)

Fatfish must disclose the relevant information in order to meet its continuous disclosure obligation as soon as any one of Tests 1, 2 or 3 is no longer satisfied. This means that the availability of the exception must be assessed by Fatfish on an ongoing basis in relation to any Market Sensitive Information that has not been disclosed to ASX.

2. Confidentiality

a. Maintaining confidentiality

Fatfish may choose not to disclose Market Sensitive Information in reliance on the exception referred to in section 1 above. It may only do so, however, where the information is kept confidential. Therefore, each Fatfish director and employee (as well as its advisers and consultants) who possesses Market Sensitive Information that has not been disclosed to ASX must protect and preserve the confidential nature of that information, including by:

(a) refraining from discussing or divulging the information to any person except where that person is authorised by Fatfish to receive that information; and

(b) ensuring that any material within their possession relating to that information is properly and securely stored and is not disclosed to an unauthorised person.

If an employee has any doubt as to whether a particular person is authorised to receive Market Sensitive Information, they should discuss the matter with the Disclosure Officer.

Directors and employees must also ensure that any third parties (eg the other party to a proposed acquisition) that receive or obtain Market Sensitive Information are bound by appropriate obligations of confidentiality.

b. Loss of confidentiality

Once confidentiality of information is lost, or once ASX forms the view that confidentiality has been lost and indicates that to Fatfish, information may need to be disclosed by Fatfish to ASX.

The ASX's view is that loss of confidentiality may be indicated by otherwise unexplained sudden and significant changes to the price or traded volumes of Fatfish' securities, by reference to information in the media or analysts' reports, or by a rumour known to be circulating in the market, in particular if the information in the media or analyst report or rumour is reasonably specific and reasonably accurate.

Accordingly, if there are price movements or changes in trading volumes, or media speculation, or any other matters that indicate that confidentiality in relation to Market Sensitive Information may have been lost, the Disclosure



Fatfish Internet Group Limited (ASX:FFG)

Committee must make an assessment as to whether the relevant information remains confidential, so that Fatfish can continue to rely on the exception to disclosure. In such circumstances, ASX is also likely to consult with Fatfish in order to form its own view about whether confidentiality has been lost.

If the Disclosure Committee makes an assessment that confidentiality has been lost, the need for a trading halt must be considered (see section 7 of Schedule 4), pending an announcement to ASX. The content of the announcement needs to be considered carefully, as the level of disclosure that ASX will expect from Fatfish will depend in particular on the details contained in any report or rumour. For example, if the report or rumour does not refer to specific details of a proposed transaction, ASX may expect Fatfish to confirm the existence of negotiations for a proposed transaction but will not necessarily require the disclosure of the details of it. Alternatively, if the report or rumour contains inaccurate details, in some circumstances a correction may be required, whilst in others a general statement regarding the inaccuracy of the report or rumour may be sufficient.

3. Correcting a false market

ASX Listing Rule 3.1B provides that if ASX considers that there is, or is likely to be, a false market in Fatfish' securities, and asks for information from Fatfish to correct or prevent the false market, Fatfish must give ASX that information. Fatfish is required to provide this information even if the exception to disclosure (as set out in section 1 above) applies.

ASX's guidance indicates that a "false market" is a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise in situations such as where:

- (a) a listed entity has made a false or misleading announcement;
- (b) there is other false or misleading information, including a false rumour, circulating in the market; or
- (c) a segment of the market is trading on the basis of Market Sensitive Information that is not available to the market as a whole.

In the latter two circumstances, ASX is more likely to form the view that there is or is likely to be a false market if:

- (a) there is a reasonably specific and credible rumour or media comment in relation to Fatfish that has not been confirmed or clarified by an announcement to the market; and



Fatfish Internet Group Limited (ASX:FFG)

(b) there is evidence that the rumour or comment is having, or ASX forms a view that the rumour or comment is likely to have, an impact on the price of Fatfish' securities.

ASX's guidance indicates that where ASX has formed the view that there is or is likely to be a false market, it may require Fatfish to take the following action, depending on whether the report or rumour is:

- (a) wholly accurate – issue a confirmation or more detailed announcement;**
- (b) only partially accurate – issue a correction or more detailed announcement;**
or
- (c) wholly inaccurate – issue a denial.**

Schedule 3

Responsibilities

1. Disclosure Committee

Fatfish has formed a Disclosure Committee, comprising the CEO, the CFO and the Group General Counsel and Company Secretary, to assume responsibility for administering this Policy. In particular, it is responsible for ensuring that Fatfish is compliant with its continuous disclosure obligations.

The Disclosure Committee is responsible for:

- (a) deciding what information will be disclosed by Fatfish to ASX;**
- (b) preparing (or overseeing the preparation of), reviewing and approving proposed external announcements, other than purely administrative announcements, and consulting with appropriate members of the Board, management and/or external advisers as necessary;**
- (c) implementing reporting processes and determining divisional guidelines (financial or qualitative) for materiality of information; and**
- (d) monitoring the effectiveness of this Policy and the outcomes of Fatfish' disclosure process, and approving amendments to this Policy for recommendation to the Board.**

In performing its functions as set out in paragraphs (a) and (b), the Disclosure Committee will act through such of its members as are reasonably available to perform the relevant function (whether one, two or three members on any occasion). Accordingly, all references in this Policy to the Disclosure Committee in relation to such functions (including in sections 3 (first paragraph) and 4 of



Fatfish Internet Group Limited (ASX:FFG)

Schedule 1, section 2(b) of Schedule 2, sections 2(b), (c) and (d) of Schedule 4, and section 8 of Schedule 5) are to be interpreted as references to the relevant member or members acting in that capacity, and their action in that capacity will be considered to be the action of the Disclosure Committee for the purposes of this Policy.

2. Disclosure Officer

Fatfish' Group General Counsel and Company Secretary has been designated as the company's Disclosure Officer for the purposes of the ASX Listing Rules and is the person responsible for communications with ASX in relation to ASX Listing Rule matters (including continuous disclosure matters).

The Disclosure Officer is responsible for:

(a) overseeing the preparation of, and authorising, administrative lodgements under the ASX Listing Rules and the Corporations Act;

Continuous Disclosure Policy

(b) all communications with ASX, including releasing approved announcements to ASX and co-ordinating the response to any ASX price query;

(c) ensuring an announcement has been approved under this Policy before it is released to ASX;

(d) informing appropriate persons within Fatfish once an announcement has been released to ASX;

(e) reporting on continuous disclosure issues as appropriate to the ARMCC and the Board of Fatfish;

(f) keeping a record of all ASX and other announcements that Fatfish has made, and of all decisions, and reasons for decisions, not to make an announcement to ASX in relation to any potentially Market Sensitive Information referred to the Disclosure Officer or any other member of the Disclosure Committee;

(g) regularly reviewing this Policy for legislative changes or development of best practice, recommending to the Disclosure Committee amendments to this Policy, and communicating any amendments to Fatfish' directors and employees; and

(h) ensuring that this Policy is made available to all directors and employees.

3. Authorised Spokespersons

The Authorised Spokespersons are the CEO, the CFO, the Director – Corporate and Public Affairs and other persons authorised by these officers or by the



Fatfish Internet Group Limited (ASX:FFG)

Board from time to time. Authorised Spokespersons are the only Fatfish personnel (including directors and employees) who may, subject to this Policy, speak to the media or other external parties in relation to Market Sensitive Information that Fatfish has previously publicly disclosed to ASX.

Authorised Spokespersons should be briefed by the Disclosure Officer on behalf of the Disclosure Committee about the continuous disclosure obligations of Fatfish. When communicating with external parties, an Authorised Spokesperson:

(a) should ensure the communication is limited to information already in the public domain or that is not material (erring on the side of caution in this regard), as the disclosure of confidential information, even if inadvertent, will result in the information no longer falling within the exception to ASX Listing Rule 3.1 and therefore potentially becoming disclosable to ASX immediately;

(b) may clarify information that Fatfish has released to ASX but must not comment on Market Sensitive Information that has not previously been released by Fatfish to ASX;

(c) should limit any comments to their area of expertise and authority;

(d) should take care to ensure that comments are not made that could result in rumours or speculation about Fatfish; and

(e) must immediately notify the Disclosure Officer if they consider that previously undisclosed Market Sensitive Information was disclosed in the communication with the external party.

Schedule 4

Company announcement procedures

The management of Fatfish' external announcements depends largely on an effective system of internal reporting and announcement preparation.

1. Capturing information

Business unit heads must ensure they have appropriate procedures in place within their areas of responsibility to ensure that all relevant information is reported to them, and if necessary is immediately onforwarded in accordance with this Policy.

Fatfish' management reporting processes are designed to ensure that Market Sensitive Information will be rapidly communicated to the CEO or another member of the Disclosure Committee. Business unit heads should use the opportunity provided by the weekly executive meetings to ensure that the CEO is aware of all relevant information, but must also communicate any significant developments to the CEO immediately if they occur between meetings.



Fatfish Internet Group Limited (ASX:FFG)

During periods when Fatfish has heightened disclosure obligations (for instance, during any period when securities are being offered under a prospectus or other disclosure document), business unit heads are regularly reminded that Fatfish cannot rely on the exception to ASX Listing Rule 3.1 (as set out in section 1 of Schedule 2) during the heightened disclosure period.

2. Disclosure process

The following procedures will apply in relation to all external announcements:

(a) Identification and notification of potential Market Sensitive Information - as soon as a director or employee becomes aware of information that may be Market Sensitive Information which has not been previously released by Fatfish to ASX, he or she should immediately notify a member of the Disclosure Committee.

It is important that directors and employees do not prejudge whether information is market sensitive – if they think that information might be market sensitive, they should err on the side of caution and tell a member of the Disclosure Committee.

In addition, the fact that a director or employee considers the potential Market Sensitive Information to be exempt from disclosure (for example, where it is confidential and is for internal management purposes or relates

to an incomplete proposal or negotiation) does not derogate from their obligation to notify a member of the Disclosure Committee.

"Continuous disclosure issues" will be on the agenda for consideration at Board meetings, ARMCC meetings and Executive Leadership Team meetings, when appropriate.

However, directors and employees should not wait for, or rely on, such reporting to advise of an important event that may require disclosure under continuous disclosure requirements.

(b) Review of potential Market Sensitive Information – after receiving notification that information may be Market Sensitive Information, the member of the Disclosure Committee who receives the information will refer the information to the Disclosure Committee to determine whether or not the information is Disclosable Information. In making a determination, the Disclosure Committee may consult with members of the Board, other management and/or external advisers, as necessary.

(c) Prepare external announcement - if the information is determined to be Disclosable Information, the Disclosure Committee, together or in consultation with relevant members of the Board and other management, where appropriate, will prepare (or oversee the preparation of) a draft announcement to ASX, in



Fatfish Internet Group Limited (ASX:FFG)

order to ensure compliance with Fatfish' continuous disclosure obligations. Such announcements should be factual, relevant, and expressed in an objective and clear manner. Communications to the market (via ASX) may include, but are not limited to: media releases; analyst, investor or other presentations; public tender documents; annual reports and accounts; and disclosure documents.

(d) Obtain approval - a proposed company announcement must be approved by:

(i) the Board, in the case of significant announcements;

(ii) the Disclosure Committee, in the case of announcements that do not require Board approval and are not merely administrative in nature; or

(iii) the Disclosure Officer, in the case of announcements of a purely administrative nature.

The Disclosure Committee will determine whether a matter is of sufficient significance as to require Board approval.

(e) Lodge announcement – only the Disclosure Officer and such other person as designated by him or her from time to time may lodge the announcement with ASX, and this should be done electronically via ASX Market Announcements Platform.

(f) Post announcement on Fatfish' website - AFTER receiving an acknowledgment from ASX that the announcement has been released to the market, the Disclosure Officer should arrange for the announcement to be posted onto Fatfish' website (under the "Investor Centre" section) within 24 hours after receiving ASX's acknowledgment.

In light of Fatfish' obligation to disclose any Disclosable Information "immediately" upon it becoming aware of the information (see section 1 of Schedule 1), the above steps, where required, should be taken as a matter of urgency and, at a minimum, as quickly as can be done in the circumstances and without postponing, deferring or putting off the matter to a later time.

3. Joint announcements

In situations where Fatfish needs to issue a joint announcement with a joint venture or project partner, Fatfish will seek to give the partner the opportunity to review the announcement prior to its release, provided that it does not compromise Fatfish' ability to comply with its disclosure obligation, and will require the other party to acknowledge and comply with Fatfish' requirements.

4. No selective disclosure

Fatfish will not engage in selective or differential disclosure. All releases of Market Sensitive Information must first be released through ASX regardless of the situations in which third parties are seeking access to it.



Fatfish Internet Group Limited (ASX:FFG)

5. Timing

Fatfish must not release Market Sensitive Information publicly until it has disclosed it to ASX and received confirmation of its release by ASX. The Disclosure Officer will confirm that receipt. If information is to be released by Fatfish' Head Office in Sydney and simultaneously in another geographical location (for example, by a foreign joint venture partner), the Disclosure Officer will consult with the relevant parties to determine how the requirements of the ASX Listing Rules will impact on the timing of the disclosure.

6. Communication of announcements

Consistent with best practice disclosure and continuous disclosure requirements, after receiving ASX's confirmation that an announcement has been released to the market, Fatfish will disseminate the information as soon as possible by posting the announcement on Fatfish' website (within 24 hours after receiving ASX's confirmation), and broadcasting via e-mail and/or fax to major stakeholders.

The Fatfish website (under the "Investor Centre" section) will contain relevant information on Fatfish such as:

- (a) corporate profile;**
- (b) ASX announcements;**
- (c) annual reports and other financial results;**
- (d) where appropriate, speeches and other information provided to analysts and investor groups;**
- (e) share information;**
- (f) AGM information; and**
- (g) employee shareholder information.**

The Disclosure Officer or their authorised delegate must review all information prior to it being posted on the website. The "Investor Centre" section of the website will be reviewed continuously to ensure that it is up-to-date, complete and accurate.

7. Trading halts and voluntary suspensions

In a fully informed market there should only be a limited need for Fatfish to request a trading halt from ASX. However, in exceptional circumstances, Fatfish may need to request a trading halt from ASX to maintain the efficient trading of its securities. Usually it will be a decision for the Board whether Fatfish should request a trading halt, based on a recommendation of a member of the Disclosure Committee. However, in circumstances where the Board is unable to



Fatfish Internet Group Limited (ASX:FFG)

meet sufficiently promptly and a decision whether to request a trading halt cannot be delayed, the Chairman of the Board or a member of the Disclosure Committee is empowered to make that decision. The Disclosure Officer is the only person authorised to convey to ASX a request for a trading halt on behalf of Fatfish.

The ASX encourages the use of trading halts to assist an entity to manage its continuous disclosure obligations. ASX's position is that it will not expect Fatfish to request a trading halt before it has assessed whether particular information is, in fact, Market Sensitive Information such that it is required by ASX Listing Rule 3.1 to be disclosed or if, having made that assessment, Fatfish is able to make the required announcement promptly and without delay (see section 1 of Schedule 1).

Fatfish may need to consider making a holding announcement (eg, of the fact that negotiations are taking place, even if the details of the negotiations cannot be disclosed) as an alternative to, or as soon as possible following entry into, a trading halt, if the company is not able to make a more complete announcement. Fatfish will need to ensure that the holding announcement is sufficient to inform the market.

Fatfish will only consider requesting a voluntary suspension in exceptional circumstances. Prior Board approval is required for any request by Fatfish to ASX for a voluntary suspension.

8. ASIC

If ASIC has reasonable grounds to believe that Fatfish has contravened its continuous disclosure obligations, ASIC may issue an infringement notice to Fatfish. Before issuing an infringement notice, ASIC will provide Fatfish with a written statement of reasons and Fatfish will have an opportunity to respond to those written reasons.

The receipt by Fatfish of any written statement of reasons issued to it by ASIC must be reported immediately to the Disclosure Committee, which will determine the appropriate response.

If Fatfish receives a written statement of reasons or an infringement notice, the Disclosure Committee (in consultation with the Board where appropriate) must oversee Fatfish' response.

9. Advisers and consultants

Fatfish will require consultants and professional advisers engaged by Fatfish or any of its subsidiaries to adhere to this Policy (to the extent relevant). Fatfish



Fatfish Internet Group Limited (ASX:FFG)

may ask such consultants and professional advisers to sign a confidentiality agreement.

Schedule 5

Communications with external parties

1. Pre-results blackout periods

To prevent inadvertent disclosure of Market Sensitive Information, during the periods between the end of its financial reporting periods and the actual results release, Fatfish' directors and management are required not to discuss any financial information, broker estimates or forecasts with investors, analysts or the media unless the information being discussed has previously been disclosed to ASX (see section 5 of Schedule 1 for the approach to be taken where expected earnings are likely to differ materially from previously published earnings guidance or analyst forecasts).

2. Media and market speculation

Fatfish has a general "no comments" policy in relation to market speculation and rumours, which must be observed by directors and employees at all times. However, Fatfish will issue an announcement or request a trading halt in response to a market speculation or rumour where it is necessary to comply with Fatfish' continuous disclosure obligation. This may involve correction of factual errors or a response to a formal request from ASX for information (see sections 2 and 3 of Schedule 2).

Fatfish will not provide the media with exclusive interviews or information that potentially contains any Market Sensitive Information prior to disclosing that information to ASX. It will also not provide any such information "off the record". See section 4 of Schedule 4.

Fatfish will not disclose any information that is potentially Market Sensitive Information (even on an embargo basis) prior to its release to ASX.

Directors and employees who are approached by the media or any external parties for information should observe the "no comments" policy and notify the Disclosure Officer as soon as possible.

3. Briefings/meetings/conference calls with analysts or investors

As part of Fatfish' management of investor relations and to enhance analysts' understanding of its background and technical information, the company conducts briefings with analysts, investors and the media from time to time to



Fatfish Internet Group Limited (ASX:FFG)

discuss information that has been released to the market, including: investor presentations/group briefings; analyst conference calls; and media interviews, (collectively referred to as "briefings").

Fatfish' policy for conducting these briefings is not to disclose any information which is, or potentially is, Market Sensitive Information, where that information has not already been disclosed to ASX. In addition, the following protocols will be followed in relation to such briefings:

(a) any written material to be used at a briefing must be provided in advance to the Disclosure Officer to allow a determination to be made by the Disclosure Committee if that material needs to be released to ASX first because it contains Market Sensitive Information;

(b) a member of the Disclosure Committee or another person authorised by the CEO or CFO should always be present at the briefing;

(c) if any other person is authorised by the CEO or CFO to attend the briefing, the CEO or CFO should be fully briefed by that person after the briefing and appropriate records of the briefing be kept for a reasonable period after the briefing;

(d) if a question raised during the briefing can only be answered by disclosing Market Sensitive Information which was not previously disclosed to ASX, any Fatfish director or employee present at the briefing must decline to answer the question, and in appropriate cases take the question on notice and wait until Fatfish announces the information publicly through ASX before responding; and

(e) any director or employee present at a briefing must immediately notify the Disclosure Officer if they consider that previously undisclosed Market Sensitive Information was disclosed during the briefing.

Fatfish will ensure that all material information used or made available for the briefing is disclosed at the briefing or on its website.

4. Broker sponsored investor conferences

Fatfish or its executives are from time to time invited to participate or present at broker sponsored investor conferences. The policy and protocols for Fatfish briefings (as set out in section 3 above) apply to such conferences.

5. Responding to analyst reports and forecasts

Analysts frequently prepare reports on securities of listed entities, including Fatfish, which contain performance and financial forecasts. Fatfish acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.



Fatfish Internet Group Limited (ASX:FFG)

However, Fatfish is independent, and will do all things necessary to be seen as independent, from analysts. Fatfish will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to ASX by Fatfish.

In particular, Fatfish:

(a) will not generally comment on analyst forecasts or earnings projections. However, an Authorised Spokesperson may comment on analysts' report by correcting factual or computational errors or directing an analyst to a particular ASX announcement by Fatfish that the analyst may have missed, but only to the extent that does not involve providing Market Sensitive Information that has not been previously disclosed by Fatfish to ASX. Fatfish will not comment on any of the analysts' conclusions themselves. In particular, an Authorised Spokesperson must seek to avoid any response that may suggest that an analyst's projections are incorrect, and must also refrain from expressing "comfort" with analysts' "consensus" forecasts or a range of analysts' forecasts. Where an Authorised Spokesperson has commented on an analyst's report, the procedures set out in section 8 below should be followed;

(b) will not include any analyst reports in its own corporate information, or post any analyst reports (including hyperlinks) on its website, but may use the reports internally;

(c) will include a disclaimer that Fatfish is not responsible for, and does not endorse, the analyst report, in any response made to an analyst; and

(d) may consider issuing a correction if it becomes apparent that in general the market's earnings projections on it materially differ from its own estimates (see section 5 of Schedule 1). If a draft report has been sent to Fatfish for comment, it should be forwarded immediately to the CFO.

6. Social networking and other internet sites

Fatfish' employees or associated parties must not participate in social networking or other internet sites where the subject matter relates to the business affairs of Fatfish, unless that person is authorised by a member of the Disclosure Committee to do so, and that person only does so in accordance the policy and protocols for Fatfish' briefings and the terms of the authorisation given to them.

Fatfish' employees may not discuss or post information on a social networking or other internet site relating to the business affairs of Fatfish or Fatfish' securities obtained as a result of their role at Fatfish, without prior approval from a member of the Disclosure Committee.



Fatfish Internet Group Limited (ASX:FFG)

As recommended by ASX, Fatfish monitors social networking and other internet sites of which it is aware that regularly post comments about Fatfish (in addition to mainstream media, market trading prices and volumes, and inquiries from third parties), particularly when Fatfish:

(a) is relying on ASX Listing Rule 3.1A not to disclose information about a market sensitive transaction it is negotiating; or

(b) has decided not to request a trading halt or voluntary suspension ahead of making an announcement required by ASX Listing Rule 3.1.

7. Responding to unexpected questions

Fatfish' directors and employees are often faced with unexpected questions from external parties - for example, pre-arranged briefings sometimes move outside the scope of intended discussion, or Fatfish' directors or employees may be asked for information in situations other than formal briefings.

When faced with an unexpected question, and subject to the other terms of this Policy (including in relation to Authorised Spokespersons and Fatfish' "no comments" policy), the director or employee concerned should respond only with information which has previously been disclosed by Fatfish to ASX. If answering the question requires the disclosure of information that has not already been disclosed to ASX, or there is any doubt as to whether or not certain information has already been disclosed to ASX, the director or employee concerned should decline to answer the question and, if appropriate, take the question on notice so that the formal process of releasing information can operate.

8. Inadvertent disclosure of information

Disclosure of Market Sensitive Information to an external party prior to disclosure to ASX constitutes a breach of ASX Listing Rule 15.7. To prevent a breach of ASX Listing Rule 15.7 and to minimise the consequences should such a breach occur, the following procedures apply.

A review should be done following any communications with an external party. If a Fatfish director or employee becomes aware that:

(a) there may have been inadvertent disclosure of Market Sensitive Information (which has not already been disclosed by Fatfish to ASX) during any communication with external parties; or

(b) confidential Fatfish information may have been leaked (whatever its source), he or she should immediately notify the Disclosure Officer who will inform the Disclosure Committee. In such a situation, the Disclosure Committee will consider the need to immediately issue a formal ASX announcement in relation to the relevant information.