



COMMUNICATION AND MARKET DISCLOSURE POLICY

Hills Limited

ABN 35 007 573 417

Policy Name	Communication and Market Disclosure Policy
Policy Manager	Company Secretary
Policy Department	Corporate Services
Contact	Corporate Services
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1 Overview

Hills Limited (“**Hills**”) is committed to providing timely, full and accurate disclosure of information to ensure that the market is provided with full and timely information about Hills’ activities in compliance with continuous disclosure requirements.

The Hills Board has issued this policy to ensure that all material matters which may potentially require disclosure are promptly reported to the CEO/Managing Director, through established reporting lines.

This policy applies to all directors, officers, senior executives, employees and consultants of Hills and its controlled entities (the **Hills Group**). .

2 Reporting Obligations

Hills, as a listed company, must comply with the continuous disclosure obligations in the ASX Listing Rules and the *Corporations Act 2001*.

Hills must immediately (which ASX has interpreted to mean “promptly and without delay”) disclose to the market, by making an announcement to the ASX, any information concerning Hills that a reasonable person would expect to have a material effect on the price or value of Hills securities. This includes information which has already been disclosed that Hills becomes aware is, or has become, materially misleading or inaccurate, or contains a material omission. “Information” extends beyond pure matters of fact and includes matters of opinion and intention. It is not limited to information that is generated by, or sourced from within, Hills.

Information will be taken to have a material effect on the price or value of Hills securities if it would be likely to influence investors in deciding whether or not to subscribe for, or buy or sell Hills securities. This type of information is price sensitive information.

Disclosure of price sensitive information is not required in all circumstances, for example, disclosure is not required where all of the following requirements are met:

- (a) a reasonable person would not expect the information to be disclosed;
- (b) the information is confidential and ASX has not formed a view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
 - it would be a breach of law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficient or deficient to warrant disclosure;
 - the information is generated for internal management purposes of Hills; and
 - the information is a trade secret.

Hills must disclose the information to the ASX as soon as one of (a), (b) or (c) is no longer satisfied.

Hills may choose to voluntarily make disclosures via an announcement to the ASX even though it is not legally required to do so.

Any announcement via the ASX, whether voluntary or legally required, must contain sufficient detail for investors and their professional advisers to understand its ramifications and to assess its impact on the price or value of Hills' securities.

3 Roles and Responsibilities of Officers and Employees

3.1 Identifying relevant information

All persons within the Hills Group have an obligation to maintain confidentiality of information.

All persons within the Hills Group are responsible for promptly notifying the Managing Director or Company Secretary of any information that they consider may (whether now or at some future time) be price sensitive information concerning the Hills Group which should be disclosed or should be considered for disclosure to the market.

The CEO/Managing Director or Company Secretary (as the case may be) must assess the information and forward the same to the Board or to the officer with the relevant authority to make the disclosure.

3.2 Board

The role of the Board is to oversee Hills' compliance with its disclosure obligations under this policy. The Board is responsible for:

- (a) assessing, in appropriate circumstances, the possible materiality of information which is potentially price sensitive;
- (b) determining the timing and content of disclosure to the ASX concerning:
 - Hills' results and major acquisitions; and
 - information concerning Hills that could have a material effect on the price or value of Hills securities in accordance with ASX requirements.
- (c) ensuring that announcements are made in a timely manner, are not misleading, do not omit material information and are presented in a clear, balanced and objective way;
- (d) considering internal requirements during periods of sensitivity (e.g. during a significant corporate transaction, capital raising etc) to protect against inadvertent disclosure of information;
- (e) considering whether it is appropriate to request a trading halt under Listing Rule 17.1 or, in exceptional cases, a voluntary suspension under Listing Rule 17.2;
- (f) assessing whether there is a false market in Hills' securities by considering regular reports that consider the following:
 - the market price of its securities;
 - major national and local newspapers;
 - major new wire services;

- investor blogs, chat-sites or other social media that Hills is aware of that regularly post comments about it; and
- enquiries from analysts or journalists (including reviewing analyst reports for factual inaccuracies: see paragraph 4.3 below); and

If the Board is unable to meet for the purposes set out above, then responsibility falls on the CEO/Managing Director, Chairman and one director to meet, assess and deliver the relevant market sensitive information as set out above.

If either the CEO/Managing Director or Chairman is unavailable, two directors must be substituted in their place.

3.3 CEO/Managing Director

The CEO/Managing Director, in consultation with the Chairman, has authority to make announcements with respect to acquisitions approved by the Board.

The CEO/Managing Director may issue any other information specifically authorised by the Board.

In the event that the CEO/Managing Director is unable to contact the Chairman or such number of directors as shall constitute a quorum of directors for the purposes of holding a Board meeting within the time frames available to comply with ASX Listing Rules or *Corporations Act* requirements then the CEO/Managing Director shall make the required announcement and notify all directors in writing immediately.

3.4 Company Secretary

The Company Secretary is responsible for the following communications:

- (a) lodging ASX announcements in line with the ASX Listing Rules. The Company Secretary must ensure that such information is not released to any person prior to ASX releasing that information to the market; and
- (b) the lodgement of ASX announcements in the ordinary course of business, where such communications are administrative in nature and do not contain price sensitive information which has not yet previously been disclosed.

The Company Secretary may issue any other information specifically authorised by the Board or the CEO/Managing Director.

The Company Secretary shall ensure that copies of all ASX lodgements are circulated to the Board as soon as practical after the date of lodgement.

4 Communications

4.1 Shareholder communications

Hills produces half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, the ASX Listing Rules and applicable accounting standards.

Hills seeks to communicate effectively with its shareholders including through:

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- (a) the Hills website – www.hills.com.au;
- (b) the Annual General Meeting;
- (c) personal communication with shareholders; and
- (d) newsletters.

Hills will post on its website relevant announcements made to the market and related information after they have been released to ASX. Price sensitive information will be posted as soon as reasonably practicable after its release to ASX.

4.2 Media relations and press announcements

The Chairman and CEO/Managing Director are responsible for media relations and communications.

The CEO/Managing Director is responsible for and must approve non-price sensitive media releases and press announcements. All non-price sensitive media release and press announcements should be forwarded to all directors for their information simultaneously to the release.

Other officers or senior executives of Hills may provide comment to trade publications within their specific area of responsibility and expertise except where the information is of general public interest or which may materially affect the price of Hills' securities. Other than this limited exception, no Hills employee is entitled to speak on Hills' behalf (or as an employee of Hills) to any other media organisation without the prior written consent of the Chairman or CEO/Managing Director.

4.3 Discussions with analysts, fund managers and institutional investors

Hills may conduct briefings for analysts, fund managers or institutional investors from time to time to discuss matters concerning the Hills Group.

Unless otherwise authorised by the Chairman or CEO/Managing Director only the CEO/Managing Director, Directors or Chief Financial Officer (**CFO**) may attend meetings with analysts or fund managers.

Before each reporting period, the CEO/Managing Director and CFO will formulate guidelines for briefings for that period. Hills' policy at these briefings is that:

- Hills will not disclose price sensitive information at any meeting with an investor or analyst without formally disclosing it to the market beforehand;
- Hills will not comment on market sensitive issues not already disclosed to the market; and
- any questions raised in relation to price sensitive issues not already disclosed to the market will not be answered or will be taken on notice.

Hills is not responsible for, and does not endorse, analyst reports that contain commentary on Hills. If a draft analyst report is sent to Hills for comment, the report must be reviewed by the CEO/Managing Director and Chief Financial Officer to correct factual inaccuracies on historical matters only.

5 Unintentional or Erroneous Communications

If any person becomes aware that any information is:

- unintentionally communicated in breach of this policy; or
- communicated in error,

the CEO/Managing Director or Company Secretary should be notified as soon as possible to enable Hills to issue an updated announcement to the market.

6 Breach of Policy

Hills will take any breach of this Policy seriously. Matters raised will be investigated and Hills will take appropriate action in respect of any breach of this Policy. This may result in disciplinary action and, in some cases, termination of employment or legal action.

Any person within the Hills Group who considers that price sensitive information has not been appropriately notified in accordance with this Policy, or disclosed to ASX, should immediately contact the CEO/Managing Director or Company Secretary.

7 Queries Regarding this Policy

Any questions regarding this policy should be forwarded to the Company Secretary.

8 Published

A copy of this Policy is available at www.hills.com.au.