

1 Introduction and summary

The continuous disclosure provisions of the Corporations Act and the listing rules mean that criminal and civil liabilities could be imposed on Altium and its officers if material information is not released to the market in accordance with listing rule 3.1. This means immediately after it becomes known, unless it falls within an exception to the rule.

Altium has established written policies and procedures on information disclosure. The focus of these procedures is on continuous disclosure and improving access to information for all investors.

The company has nominated the company secretary to have responsibility for:

- making sure that the company complies with continuous disclosure requirements;
- overseeing and co-ordinating disclosure of information to the stock exchange, analysts, brokers, shareholders, the media and the public; and
- educating directors and staff on the company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.

Price sensitive information is publicly released through the stock exchange before disclosing it to analysts or others outside the company. Further dissemination to investors is also managed through the stock exchange.

Information can be viewed through the company's website immediately after the stock exchange confirms an announcement has been made via a direct link to the ASX Company announcements page, with the aim of making the information accessible to the widest audience. Releases such as the Chairman's address, notice of meeting, presentations etc are posted to a dedicated "Investor information" section of the company's website.

The board has developed procedures for responding to market rumours, leaks and inadvertent disclosures. Even if leaked or inadvertently disclosed information is not price sensitive, the information is posted on the website so as to give investors equal access.

This document deals with:

- (a) Key obligations of:
 - The Company Secretary;
 - CEO;
 - Compliance Officer.
 - (b) Listing Rule Requirements;
 - (c) Type of information that needs to be disclosed;
 - (d) Procedures for internal notification and external disclosure;
 - (e) Procedures for promoting understanding of compliance with disclosure requirements; and
- 0Procedures for monitoring compliance.

In summary the rules require employees of Altium to notify the Company Secretary/CEO when they become aware of previously undisclosed information which may require release to the market under listing rule 3.1. The Company Secretary/CEO must seek advice on the matter and bring it to the attention of the Board who must decide whether or not an announcement or other action is required and initiate the announcement or other action as required.

The Board of Altium considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally it notes all matters which were disclosed since the last meeting.

2 Key obligations

Company Secretary

- Communicate with ASX in relation to listing rule matters.
- Lodge announcements with the ASX Company Announcements Office.

- Monitor the press and share price continuously.
- Consult with the CEO/Board regarding matters for announcement to the market.
- Advise designated Compliance Officers on listing rule 3.1 matters.
- Ensure the Board of Altium considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers and notes all matters which were disclosed since the last meeting.

CEO

- Promptly advise Company Secretary if there are any matters required to be announced to the market.
- Authorise final form of announcement to the market.

Compliance Officer

- Consult/notify Company Secretary on potential listing rule 3.1 matters.
- Receive signed approval from the CEO for release of all documents to the market.

3 ASX'S Listing Rule Requirements

Listing rule 3.1 requires "immediate" disclosure of any information concerning Altium of which Altium is or becomes aware, which a reasonable person would expect to have a material effect on the price or value of shares and/or other securities of Altium. Section 674 of the Corporations Act reinforces listing rule 3.1 by creating criminal and civil penalties for non-compliance.

The rules read as follows;

"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.

(a) Exceptions (All following must be satisfied)

- (i) A reasonable person would not expect the information to be disclosed.*
- (ii) The information is confidential and ASX has not formed the view that the information has ceased to be confidential*
- (iii) 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.*

(b) If ASX considers that there is or is likely to be a false market in an entity's securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market."

This obligation to give information arises even if the exceptions outlined above apply.

ASX listing rule Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1, provides examples and details which Altium will use as reference when making disclosure decisions.

4 How does Altium become aware of information?

Altium will be deemed to have become aware of information where a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of performance of his/her duties as a director or executive officer of Altium. A director or executive officer who comes into possession of potentially relevant information should immediately bring this information to the attention of the CEO/Company Secretary.

5 Materiality

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

Neither the listing rules nor the Corporations Act define when information will be taken to have such an effect. In practice, usually a monetary test is adopted using thresholds from the accounting standards relevant to preparation of financial statements. However, other concepts of materiality are also adopted in addition to a monetary threshold. For example:

- whether a matter will significantly damage Altium's image or reputation;
- whether a matter will significantly affect Altium's ability to carry on business in the ordinary course; or
- whether the matter involves a breach of any law or regulation.

Altium provides a copy of the announcement to ASIC and releases the announcement through the ASX Company Announcements Office. Information may include information necessary to prevent or correct a false market.

6 The type of information that needs to be disclosed

The ASX has listed the following examples of the type of information which will be required to be disclosed.

- A change in Altium's financial forecast or expectation.
- The appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by it or any of its child entities.
- A transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case.
- A recommendation or declaration of a dividend or distribution.
- A recommendation or decision that a dividend or distribution will not be declared.
- Giving or receiving a notice of intention to make a takeover.
- An agreement between Altium (or a related party or subsidiary) and a director (or a related party of the director).
- A change in accounting policy adopted by Altium which would have a material effect on Altium's financial results or position.
- A proposal to change Altium's auditor.

If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Company Secretary so that advice can be given and a formal decision can be made as to whether or not to release the information.

7 CEO obligations

The CEO are the ultimate decision-makers on Altium's continuous disclosure obligations and as such are primarily responsible for ensuring that Altium complies with both the ASX Listing Rules and Corporations Act when deciding what information will be released. In consultation with appropriate personnel, a decision will be made by the CEO about whether or not to disclose the information, take any necessary steps to protect its confidentiality, or take steps to prevent a false market such as requesting a trading halt.

8 Obligations to notify the CEO

Where any information comes to light about Altium which may need to be released, all Executive Offices/Directors are obliged to immediately bring that information to the attention of the Company Secretary. In the case of directors initial verbal notification should be given directly to the CEO/Company Secretary.

To facilitate reporting within Altium, the Designated Compliance Officer will assist by releasing approved information to the ASX Company Announcements Department. The Compliance Officer shall assist the Company Secretary to ensure Altium meets its continuous disclosure and that the Board/CEO are aware of their disclosure responsibilities. It is the responsibility of the CEO to determine whether disclosure is required. Until a decision as to whether or not to disclose information has been made, directors and employees must treat the information as strictly confidential.

9 Decision not to disclose information

If a decision is made by the CEO not to disclose information, the reasons for that decision must be documented at the time the decision is made and retained by the Company Secretary.

10 Confidential information

In determining whether any information that comes to light about Altium needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure which are mentioned in Section 3 apply. In particular, a determination may need to be made as to whether the information is confidential. For that purpose, the Board/Executives must seek assistance from the Company Secretary. If a determination is made that the information is confidential, then the Company Secretary will ensure that anyone who has a copy of the information is aware that it is confidential.

The CEO will cause Altium's share price to be monitored on a continuous basis. If there are any unexpected movements in the share price, then the CEO will need to determine whether the cause of that movement relates to the unauthorised release of any confidential information. If the share price movement relates to the unauthorised disclosure of confidential information, then the CEO must ensure that action is taken to ensure Altium is in compliance with its disclosure obligations, in particular, preventing false markets.

11 Relationship with media and public

A company must disclose information needed to prevent a false market. Accordingly it may be necessary for ASX to correct a rumour or to respond to speculation, including media speculation.

The Company Secretary and Corporate Relations will monitor the media to detect issues which may require Altium to make an announcement or take other action under the disclosure rules. Relevant information for release to the market must be provided to ASIC under listing rule 3.1 and released to the market before it is provided to the media (even on an embargoed basis).

Care must be taken not to make comments to the media or others which could result in rumours or speculation about Altium. Staff must comply with the media relations policy of Altium. That policy limits media contact to the CEO, the CFO and Chairman. Other officers and employees may only confer with the media in relation to a particular matter concerning Altium if they have obtained the prior express approval of the CEO.

It is also important to ensure that any speeches or external addresses given do not result in rumours or speculation about Altium or unauthorised disclosure. The text of all such speeches and external addresses not written by the CEO, must receive their prior endorsement before release.

Where appropriate the Corporate Compliance Officer must prepare (in consultation with Company Secretary) and submit to the CEO for approval, a public relations/media strategy. The formulation of that strategy must not delay release of the announcement. In briefings to media/public/analysts, Altium staff must not disclose previously undisclosed material information.

12 Board consideration of disclosure

The Board of Altium will consider whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally the Board will note all matters which were disclosed since the last meeting.

13 Employment and monitoring of compliance

To promote understanding of the continuous disclosure obligations imposed on Altium by the Corporations Act and the listing rules, a copy of this document will be provided to all directors and employees (present or future) of Altium.

From time to time, and if considered necessary, the Board will update this document (and distribute an updated copy to all directors and executives) to reflect changes in Altium's business operations or changes in the Corporations Act or ASX listing rules. A copy of this document has been placed on the Altium intranet site. The induction procedures for new staff and directors must require that a copy of this document be provided to each new executive and director. It is the responsibility of the Company Secretary to ensure that all executives/directors have received this document and understand its requirements.

14 Share dealings by employees and directors

Any director or employee of Altium proposing to trade in Altium shares must comply with the Staff Share Trading Guidelines and Corporations Laws regarding insider trading as amended from time to time. A copy of the trading guidelines is available on the Altium intranet site.

15 Audit

Altium's Audit Committee will annually audit Altium's adherence to the procedures set out in this document.

16 Reporting and correcting mistaken non-disclosure

Any director or employee of Altium who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately telephone the Company Secretary so that appropriate action can be taken. It is far better to correct mistaken non-disclosure and lodge an announcement belatedly than to continue to ignore the omission and fail to comply with listing rule 3.1.

17 Conclusion

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for Altium and its directors and employees and could have a damaging impact on the perception of Altium within the investment community. Any director or employee of Altium who willfully or negligently causes a failure to comply by Altium will be considered to have engaged in serious misconduct which may result in the termination of their engagement by Altium. All directors and employees are encouraged to actively consider the need for disclosure. Do you have undisclosed information likely to influence a person to buy or sell ASX securities? If so, notify the CEO/ Company Secretary, as soon as possible who will then appoint Compliance Office to release the information to the ASX.