



CONTINUOUS DISCLOSURE POLICY

TABLE OF CONTENTS

1. Introduction	3
2. The Guiding Principle — Continuous Disclosure	3
3. Authorised Spokespersons	4
4. Implementation	5
5. Trading Halts	8
6. Guiding Principles ...	8
7. Communication “Blackout” Period	8
8. Briefings	8
9. Review of Analysts Reports	10
10. Use of Website	10
11. Policy Breaches	11

1. INTRODUCTION

Compass Hotel Group Limited ACN 127 909 835 (“Compass”) is committed to continuous disclosure as required by the Australian Stock Exchange Listing Rules and the Corporations Act 2001.

The purpose of this policy is to set in place systems that:

- 1.1 identify when matters are “material”;
- 1.2 bring them to the attention of those who are in a position (and have the responsibility) to decide on whether disclosure is made; and
- 1.3 if disclosure is required, to ensure that disclosure is made promptly, fully, and appropriately.

This policy is consistent with the commitment of Compass to the promotion of investor confidence through open and honest communication.

This Continuous Disclosure Policy has been endorsed by the Board of Compass.

The policy may change over time to ensure best practice.

2. THE GUIDING PRINCIPLE — CONTINUOUS DISCLOSURE

2.1 Disclosure

Compass must immediately notify the market via an announcement to the ASX of any information concerning Compass that a reasonable person would expect to have a ‘material’ effect on the price or value of Compass securities.

The Board is primarily responsible for making decisions about what information will be disclosed and ensuring that the necessary information is disclosed.

2.2 ‘Material’ information.

Information is “material” if there is a substantial likelihood that the information would influence investors in deciding whether to buy, hold or sell Compass securities.

Materiality is to be assessed against this qualitative test, taking into account Compass’s business activities, size and place in the market.

A quantitative assessment may also be undertaken as part of, but not in substitution for, the materiality test.

2.3 Exceptions to the Guiding Principle

Disclosure will not necessarily be made by Compass where:

- (a) a reasonable person would not expect the information to be disclosed; and

- (b) the information is confidential; and
- (c) it falls within specified exceptions (eg information regarding incomplete proposals) contained in the ASX Listing Rules.

2.4 Confidential information

Compass believes that all information of the company or about the company, its business prospects or its operations is confidential unless deemed otherwise by a designated officer of the company. This confidentiality must be respected.

Should confidential information become public without the company's permission, Compass will review whether that information or associated information should be disclosed immediately to the market.

No director, employee, or person associated with Compass (such as a consultant, adviser, lawyer, accountant, auditor, banker or other contractor) is permitted to comment publicly on matters relating to Compass without the explicit and prior approval of the Board. All information about Compass business and company prospects is confidential information and must be treated as such.

The presumption should be that external communications such as analyst briefings and responses to questions from particular shareholders are not confidential.

Information must be subject to on-going assessment as to whether or not it must be disclosed. If any of the conditions referred to in section 2.3 above ceases to apply in relation to any particular information, Compass will disclose that information immediately.

3. AUTHORISED SPOKESPERSONS

The only persons authorised to speak to the ASX, the media or externally in relation to Compass's affairs (including briefings and responses to analysts, investors, brokers or shareholders) are:

- (a) the Chairman;
- (b) the CEO; and
- (c) those approved by the CEO from time to time.

Where the announcement or comment is to be made to the ASX to comply with continuous disclosure obligations, only the CEO or the Chairman has the authority to approve and release the announcement.

If neither the CEO or Chairman is available to provide authorisation, the authority of at least two directors will be required to authorise any announcement.

If any other person connected to Compass receives a request for comment from a third party, that person must advise the third party that they are not authorised to speak on behalf of Compass and refer the inquiry to one of the persons listed above.

4. IMPLEMENTATION

4.1 Compass's Company Secretary

The Company Secretary is responsible for communicating with the ASX, once appropriate authorisation under paragraph 3 has been obtained, and for coordinating the continuous disclosure systems, as well as the provision of information to ASX, analysts, brokers and shareholders, has been appointed.

The Company Secretary's name and contact details are set out on Compass's website.

The Company Secretary is responsible for:

- (a) maintaining the Material Disclosures Register (see section 4.2 below);
- (b) maintaining the currency of this Policy;
- (c) conducting or arranging training of the directors, the CEO, the CFO and other appropriate personnel in relation to Compass's disclosure obligations (whether continuous, periodic or otherwise);
- (d) periodically reviewing Compass's disclosure record; and
- (e) preparing a draft summary of Compass's continuous disclosure systems for consideration by the Board and inclusion in Compass's annual report.

4.2 Material Disclosures Register

The Company Secretary will also be responsible for maintaining a Material Disclosures Register that lists the key material items that have been disclosed to the market such as:

- (a) forecasts of financial results;
- (b) sales and revenue forecasts; and
- (c) key commercial relationships.

The Register will be available for review by senior management and the directors. When it is apparent that circumstances have changed and that prior disclosure is no longer accurate, the Company Secretary will assist the Board to identify the need for Compass to disclose the changed circumstances.

4.3 Immediate notification

If a director or any member of senior management becomes aware of information that may have a material effect on the price or value of Compass's securities, the policy of Compass is that he/she should immediately notify that information to the Company Secretary and/or the CEO.

This rule applies even where there is doubt as to whether the information requires disclosure. The directors and executive officers of Compass should err on the side of caution and notify that information to the Company Secretary. It is only if such information is brought forward that the

appropriate consideration may be given to whether it should be disclosed to the ASX.

4.4 **Periodic disclosure**

Meetings of company officers will be used as an opportunity to consider and discuss potential disclosure issues and also ensure ongoing compliance with this Policy.

(a) **The Executive Committee Meetings**

The Executive Committee is comprised of the CEO, Company Secretary, CFO and senior management nominated by the CEO.

Each member of the Executive Committee is required to consider, prior to each of their meetings, whether they have any information in their possession that may require disclosure. They may be asked at each meeting whether or not any matter needs disclosure or any previously disclosed matters needs an update.

(b) **Senior Executive Reports to Board**

Board meetings frequently require presentations by the CEO, the CFO or other senior executives. These presentations will include opportunities for the senior executives to raise with the Board any matter that the senior executive believes needs to be analysed by the Board and considered for disclosure.

(c) **Board Meetings**

Each director is also required to consider prior to and before the conclusion of each Board meeting whether they possess any information that may require disclosure by Compass under its continuous disclosure obligations.

It shall be a standing agenda item at each Board meeting that the directors raise and consider any information that potentially may require disclosure. The directors are encouraged to refer to the Material Disclosures Register.

4.5 **How information is considered for disclosure.**

All information notified to the Company Secretary under this policy:

- (a) will in the first instance be considered by the Company Secretary (and, when necessary, the Chairman, an independent director or external legal counsel); and
- (b) if a disclosure is required and time permits, the draft form of the disclosure will be circulated to the Board members for immediate comment before being announced to the market.
- (c) In this way, adequate consideration by appropriately qualified persons is given to the need for, and the contents of, any disclosure in accordance with Compass's continuous disclosure obligations.

The Board recognises that the responsibility for timely continuous disclosure requires that the Chairman and the CEO have sufficient authority to make announcements without consultation with all members of the Board if they are not immediately available.

All directors and executive officers are required to communicate any information that they consider may require disclosure — even if they are doubtful that disclosure may be required. It is only if such information is brought forward that the appropriate consideration may be given to whether it should be disclosed to the ASX.

In all circumstances, the directors and executive officers of Compass should err on the side of caution and notify that information to the Company Secretary.

4.6 The Decision to Disclose

In the ordinary event, the decision to release information to the market or externally, and the form of that disclosure, will be a matter which is to be decided by the Board. Where matters are not as significant or where circumstances otherwise require it, a decision to make disclosure can be taken individually by the Chairman, the CEO or (with the approval of either of them) the Company Secretary. In making that decision, these officers are expected to consult as widely as time and circumstances permit before doing so.

The decision making officer or body will make a decision to disclose having regard to the law and listing rules, market practice and expectations and the reputation of Compass.

4.7 Making disclosure

Where disclosure is determined to be necessary, Compass will immediately disclose the information to the ASX.

Compass's policy will be to provide the information to the ASX first and not to provide it to any other persons (including on an embargoed basis) until the ASX has confirmed that it has released the information to the market.

Once information has been released to the ASX, Compass may issue the information to other interested parties, such as substantial shareholders.

4.8 Correcting a false market, managing market speculation and rumours

Compass's policy is not to comment on any speculation or rumour unless forced to do so and then only to the extent necessary to satisfy regulatory requirements. Its policy is also not to respond to reports (or rumours) published about it by analysts, fund managers, reporters or other third parties. Compass will not comment on, or endorse, any market guidance figures published by any other person.

Where Compass becomes aware that a third party's report contains information that seriously misrepresents the position (financial or otherwise) of Compass and that a significant portion of the market is acting on that information, the Board may decide to issue an ASX announcement correcting the misinformation. It is expected that any such action by the Board will be the exception rather than the rule.

This policy must be observed by all officers and employees at all times.

4.9 Correcting selective disclosure

In the event that this Policy is not complied with, or notwithstanding compliance, the directors become aware that material price sensitive information has been selectively

disclosed, the relevant information will be promptly released to the market through the ASX. Such announcements will be made as soon as practicable after learning of the need for the disclosure.

4.10 **Use of website**

Given that a significant portion of Compass's business and communications are conducted on the internet, it is important to note that information that requires disclosure to the ASX under Listing Rule 3.1 cannot be published on Compass's website before ASX has published the announcement.

Accordingly, information that is being disclosed will not be posted on to the Compass website until authorisation has been provided by the CEO.

5. **TRADING HALTS**

Where appropriate, Compass will make use of the trading halt function available to it under the ASX Listing Rules.

A decision to impose a trading halt is expected to be taken only by the CEO in consultation with the Chairman and, if time and circumstance permit, the Board.

6. **GUIDING PRINCIPLES**

Compass will not communicate material price or value sensitive information to an external party, except where that information has previously been disclosed to the ASX.

7. **COMMUNICATION "BLACKOUT" PERIOD**

To protect against inadvertent disclosure of material price or value sensitive information, Compass imposes communication 'blackout' periods between the end of its financial reporting periods and the announcement of results for that period to the market.

In these 'blackout' periods, Compass does not intend to hold:

- (a) one-on-one briefings with any external parties, including institutional investors, individual investors or stock broking analysts to discuss financial information concerning Compass; or
- (b) open briefings other than to deal with matters which are the subject of an announcement via the ASX; or
- (c) comment on any third party's estimates about Compass's performance.

8. **BRIEFINGS**

8.1 **Open briefings**

Compass may hold open briefings (ie where all members of a relevant group are invited) with institutional investors and/or stock broking analysts to discuss information that has been released to the market.

For purposes of this policy, all meetings that are not open meetings are treated as one-on-one briefings.

Compass's policy for conducting open briefings is not to disclose any material price or value sensitive information unless that information has previously been announced to the market generally.

For open briefings, Compass will follow these procedures:

- (a) Compass will advise the market in advance, via the ASX and on Compass's website, of details of the open briefings; and
- (b) briefing and presentation materials will be disclosed to the market via the ASX and placed on Compass's website.

For the purposes of this policy, public speeches and presentations by Compass's CEO or CFO will be classed as 'open briefings'.

8.2 One-on-one briefings

It is in the interest of Compass's shareholders that stock broking analysts, journalists, institutional investors and other interested third parties have a thorough understanding of Compass's business operations and activities. Compass considers one-on-one discussions and meetings with investors and stock broking analysts an important part of proactive investor relations.

From time to time, Compass will participate in one-on-one briefings with those interested parties. At these briefings, Compass may provide background and technical information to assist these parties in their understanding of Compass's business activities.

Compass's policy is that no previously undisclosed material price or value sensitive information will be disclosed at these briefings.

For the purposes of this policy, a one-on-one briefing includes any communication between Compass and a stock broking analyst, a journalist or an institutional investor including, for example, during phone calls to the CEO, Company Secretary or another senior executive or director.

Where possible, file notes should be made of all one-on-one briefings and those notes maintained for a reasonable period.

For any planned series of one-on-one briefings arranged by Compass, Compass will follow these additional procedures:

- (a) Compass will advise the market in advance, via the ASX and on Compass's website, of the one-on-one briefings; and
- (b) any presentation materials will be disclosed to the market via the ASX and placed on Compass's website.

8.3 Relationship with market disclosure

If any Compass director or employee participating in a briefing (either open or one on one) considers that a matter has been raised that might constitute a previously undisclosed material price or value sensitive matter, they must immediately refer the matter to the Company Secretary for

possible consideration under this Continuous Disclosure Policy.

Where a question raised in a briefing can only be answered by disclosing material price or value sensitive information, directors and employees must decline to answer the question or take the question on notice and wait until Compass announces the information publicly through the ASX before responding.

9. **REVIEW OF ANALYSTS REPORTS**

Compass recognises the role performed by analysts in assisting the establishment of an efficient market with respect to its securities.

However, Compass is not responsible for, and does not endorse, analyst reports that contain commentary on Compass. Accordingly, Compass will not:

- (a) externally distribute individual analyst projections or reports;
- (b) refer to individual analyst recommendations on the website; or
- (c) refer to specific analysts, or publicly comment on individual analyst recommendations or proprietary research.

Compass does not incorporate analysts' reports in any Compass corporate information, including Compass's website (the policy also extends to hyperlinks to analysts' websites).

Where analysts send draft reports to Compass for comment, they must immediately be referred to the Company Secretary.

Compass will not provide non-disclosed material price or value sensitive information in response to such reports. The information may be reviewed only to correct factual inaccuracies on historical matters. Any correction of factual inaccuracies by Compass does not imply endorsement of the content of these reports.

Compass will not in any circumstance comment on any profit forecasts that may be contained in this type of information.

A standard disclaimer will be provided in any response made to an analyst.

10. **USE OF THE WEBSITE**

The Compass website is the key information dissemination point to the broader market.

All ASX announcements and media releases (once ASX has published the announcement) are placed on the site in addition to copies of presentations made to the market at conferences presentations, open briefings or one-on-one briefings. No Company announcement information is to be removed from the Compass website without approval from the CEO.

11. POLICY BREACHES

Breaches of this policy, including a failure to report a serious violation by others, may lead to a breach of law and ASX rules, particularly in regard to continuous disclosure. In turn, that may lead to personal penalties for directors and officers. Accordingly, breaches of this policy will lead to disciplinary action being taken against the relevant officer or employee, including dismissal in serious cases.