



## CONTINUOUS DISCLOSURE (SUMMARY) (GPPM 25A)

This document is a summary of the Capricorn Society Limited (ACN 008 347 313) ("CSL") full Continuous Disclosure Policy.

### 1. The Context

- (a) CSL prior to its conversion to a public company on 22 August 2006 was registered in 1975 as a "cooperative" under the *Co-operative and Provident Societies Act 1903* (WA) to assist automotive repair and service businesses. CSL continues to operate on co-operative principles.
- (b) CSL's Constitution prohibits CSL's shares being quoted on the Australian Securities Exchange or any secondary market. It is the current intention of the CSL Board of Directors to annually seek Members' approval at CSL's Annual General Meeting to authorise CSL to buy back a limited number of Member's shares on the terms set out in the applicable special resolution which terms would include, but not be limited to, that the purchase price payable by CSL per share equals the issue price per share of the shares being bought back by CSL.
- (c) The price of a CSL share is fixed as follows: -
  - (i) AUD\$1.00 per CSL Share in the Australian Geographic Region Class;
  - (ii) AUD\$1.00 per CSL Share in the All Regions Class; and
  - (iii) NZD\$1 for a CSL Share in the New Zealand Geographic Region Class..

Currently the price of shares in CSL remains fixed as set out above and does not fluctuate. The price of shares in CSL has not changed since the date of CSL's incorporation as a public company.

- (d) Membership of CSL is also limited to persons approved by CSL Directors in their absolute and unfettered discretion that lawfully purchase goods, services and property used in any automotive or any allied industry that agree to be active members of CSL. The purpose of the offer of shares in CSL is not tied to raising capital for any specific financial purpose but to provide access to benefits of CSL including but not limited to: -
  - (i) generally competitive prices for the purchase of goods and services relating to the automotive trade from CSL suppliers;
  - (ii) simplified accounting with members receiving one statement for all purchases from CSL suppliers during a monthly period;
  - (iii) instant credit with CSL Suppliers;
  - (iv) dividends, rebates and access to CSL's Reward Point Program; and
  - (v) access to membership of Capricorn Mutual.

On the basis of the unchanging nature of the price of CSL shares, it is CSL's policy not to give or provide any price or value sensitive information including but not limited to profit or earnings forecasts other than as required by law.

## 2. Purpose

- (a) CSL is committed to complying with the continuous disclosure obligations imposed on it under section 675 of the Corporations Act 2001 (Cth).
- (b) The purpose of the Continuous Disclosure Policy is: -
  - (i) to ensure that CSL complies with its continuous disclosure obligations under the Corporations Act as such obligations apply to its unique circumstances and business model as detailed in the context above; and
  - (ii) to record and communicate CSL's commitment to its continuous disclosure obligations.

## 3. Continuous Disclosure Practices

- (a) S. 675(2) of the CA applies to CSL as a disclosing entity. If CSL becomes aware of information: -
  - (i) that is not generally available, and
  - (ii) that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of the securities of CSL; and
  - (iii) that would not otherwise be disclosed through a disclosure document,then CSL must, as soon as practicable, comply with its Continuous Disclosure obligations by following ASIC's good practice guide (see ASIC Regulatory Guide 198) and by posting all Continuous Disclosure Notifications on its corporate website [www.capricorn.coop](http://www.capricorn.coop) under the Corporate Documents Section/Continuous Disclosure Notices.
- (b) Information is not required to be disclosed under the Continuous Disclosure Obligations of the CA by CSL if: -
  - (i) a reasonable person would not expect the information to be disclosed; and
  - (ii) the information is confidential; and
  - (iii) one or more of the following conditions apply: -
    - the disclosure of the information would contravene a law;
    - the information is about a matter of supposition;
    - the information is not definite enough to make disclosure appropriate;
    - the information relates to an incomplete proposal or a matter that is in negotiation;
    - the information was prepared or created for the internal management purposes of CSL;
    - the information is a trade secret.

As soon as any of these elements are no longer satisfied, CSL must as soon as is practicable comply with its continuous disclosure obligations.

- (c) In order to ensure CSL meets its obligations of disclosure in the timeframe required of information requiring disclosure, CSL adheres to the following practices: -
  - (i) posting as soon as practicable on its Corporate website [www.capricorn.coop](http://www.capricorn.coop) under the Corporate Documents Section/Continuous Disclosure Notices, in accordance with ASIC's good practice guide (see ASIC Regulatory Guide 198), information concerning CSL that a reasonable person would be taken to expect to have a

material effect on the price or value of CSL's securities as prescribed under s.675 CA, except where such information is not required to be disclosed under Regulation 6CA.1.01 *Corporations Regulations* 2001 (Cth);

- (ii) ensuring a prominent link to such Continuous Disclosure Notices can be found on the CSL Corporate website home page ([www.capricorn.coop](http://www.capricorn.coop)) so that members can easily access the relevant notification(s); and
- (iii) immediately providing a copy of Continuous Disclosure notices, once posted to the Capricorn corporate website, to all subscribers of Capricorn's Continuous Disclosure notices in the Capricorn Online Shareholder Centre.

#### **4. Prevention of Selective Disclosure**

- (a) The policies and procedures of CSL require that any information requiring disclosure is made available to all CSL members and potential members (and not disclosed selectively). Such policies and procedures include, but are not limited to:-
  - (i) a requirement that all Directors and Executives identify issues which require an immediate disclosure or issues that do not require disclosure at the present time, but which may require a disclosure if advanced further;
  - (ii) ensuring that the Company Secretary is immediately made aware of all required disclosures or issues that may require a disclosure in advance of the need for disclosure so that an assessment can be made by the Company Secretary along with other members of the CSL Disclosure Committee ("DC") (which includes the CEO and all other Executives) as to the need for a disclosure in the timeframe limited by law for such disclosure. Where the circumstances of the matter precludes reference to the full DC to comply with the continuous disclosure requirements, a decision on a disclosure issue may be made by the CSL CEO or the Company Secretary after consultation with members of the DC who are available. If disclosure is required then such disclosure and the form of the disclosure must be authorised by the CSL Board of Directors and in the absence of all CSL Directors being contactable (assuming an announcement is required to be made as a matter of law in a period of time prior to all CSL Directors being contactable) or another limited circumstance, the CSL Chairman and in his absence, the CSL Vice Chairman. All announcements are made in the manner prescribed by law;
  - (iii) unless a CSL employee is otherwise expressly authorised by the CSL CEO or CSL Chairman, that the CSL CEO and in the CSL CEO's absence, the CSL Chairman, are the only persons authorised to speak publicly about the affairs of CSL, the activities of its wholly owned subsidiaries and joint ventures; and
  - (iv) full compliance with the requirements imposed by the CA on CSL as an unlisted disclosing entity.

#### **5. Other key continuous disclosure measures**

- (a) All communication with external parties is on the basis that the information which would require disclosure under CSL's Continuous Disclosure obligations is not discussed unless that information has been disclosed on CSL's website.
- (b) The Company Secretary oversees an induction and education program to ensure CSL Directors, Executives and any other relevant personnel are aware of and understand the continuous disclosure obligations.

- (c) CSL as a policy does not give or provide any price or value sensitive information including but not limited to profit or earnings forecasts.
- (d) CSL's approach to rumours or speculation is to take a "no comment" approach.

## **6. Responsibility for Continuous Disclosure**

- (a) It is CSL's policy that the CSL Board of Directors and CSL Executives all have a role to play in ensuring continuous disclosure by CSL as required by law. The Company Secretary has responsibility for coordinating and making disclosure of information as required on behalf of CSL to comply with its Continuous Disclosure obligations. All Executives are also responsible for liaising with their individual business units in relation to disclosure issues to ensure compliance with the CA requirements. The DC has responsibility for the effective implementation of this Policy throughout CSL. The DC is also responsible for the development of any necessary guidelines for the release of information (which guidelines are to be approved by the CSL Board of Directors) and for implementing any necessary reporting processes and controls (which are to be approved in advance of DC implementation by the CSL Board of Directors).
- (b) The contents of this policy and CSL's practices are reviewed by CSL's Board of Directors on an as needs basis and no less than annually to ensure continued compliance with legislative requirements dealing with continuous disclosure.

## **7. Glossary**

- (a) "All Regions Class" means the class of Shares in CSL issued to suppliers of goods and services in connection with the automotive trade with which Capricorn has entered into an agreement for the supply of goods and services to Members and who is considered by Capricorn to be a small to medium enterprise capable of purchasing meaningful volumes through a Capricorn Account;
- (b) "ASIC" means the Australian Securities and Investments Commission;
- (c) "Australian Geographic Region Class" means the class of Shares in CSL issued to Members operating within the geographical borders of Australia;
- (d) "CA" means Corporations Act 2001 (Cth);
- (e) "Capricorn Mutual" means Capricorn Mutual Limited ACN 104 601 194;
- (f) "CEO" means the person holding the position of CSL Group Chief Executive Officer at the relevant time;
- (g) "Chairman" means the person holding the position of chairman of the board of directors of CSL at the relevant time;
- (h) "CSL" means Capricorn Society Limited ACN 008 347 313;
- (i) "CSL Directors and Executives" means directors and officers appointed to the Board of directors of CSL including the Company Secretary, the CEO, and any people who are in a position to make or be involved in decisions affecting CSL or substantial parts of it, or affect significantly CSL's financial standing, or who the directors often follow the advice of;
- (j) "DC" means Disclosure Committee;
- (k) "Executives" means the CEO, the Company Secretary, and any other senior executives nominated by the Board from time to time as such;
- (l) "Members" means members of CSL holding Shares;

- (m) "New Zealand Geographic Region Class" means the class of Shares in CSL issued to Members operating within the geographical borders of New Zealand;
- (n) "Regulations" means the Corporations Regulations 2001 (Cth);
- (o) "Reward Point Program" means the reward point program operated by CSL from time to time;
- (p) "Securities" and "Shares" means shares in the issued capital of CSL; and
- (q) "Vice Chairman" means the person holding the position of Vice Chairman of the board of directors of CSL at the relevant time.