

# Continuous Disclosure Policy and Procedures

## 1. Introduction

As an Australian publicly listed entity, Cochlear Limited (**Cochlear**) is required to comply with the continuous disclosure obligations in the Australian Securities Exchange (**ASX**) Listing Rules and under the *Corporations Act 2001* (Cth) (**Corporations Act**).

ASX Listing Rule 3.1 requires that once a listed company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Cochlear's securities, Cochlear must immediately tell the ASX that information.

ASX Listing Rule 3.1B provides that if the ASX considers that there is or is likely to be a false market in a company's securities and asks Cochlear to give it information to correct or prevent a false market, Cochlear must immediately give the ASX that information.

Failure to comply can result in civil and criminal proceedings against both Cochlear and any person involved in the contravention. Substantial damages and penalties apply under the Corporations Act.

This Continuous Disclosure Policy and Procedures (**Policy**) sets out the policies and procedures which will operate to ensure that Cochlear meets its continuous disclosure obligations under the ASX Listing Rules and Corporations Act. Although the ASX Listing Rules also contain a number of other specific continuous disclosure requirements, this Policy focusses on ASX Listing Rules 3.1 to 3.1B as these are the key requirements.

The Policy applies to all employees, officers, directors and contracted staff of Cochlear and each of its related entities (**Cochlear Personnel**).

The Policy is periodically reviewed to check that it is operating effectively and whether any changes are required to the Policy.

## 2. Policy

### 2.1 Compliance with continuous disclosure obligations

It is the policy of Cochlear to act at all times with integrity and in accordance with the law, including the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. In accordance with the ASX Listing Rules Guidance Note 8: Continuous Disclosure Listing Rules 3.1-3.1B (**Guidance Note 8**), Cochlear interprets "immediately" as meaning "promptly and without delay".

### 2.2 Notifications to the ASX

Cochlear shall immediately notify the ASX if it becomes aware of any information concerning Cochlear that a reasonable person would expect to have a material effect on the price or value of Cochlear's shares or other securities. This information is also referred to as "market sensitive information". See Paragraph 2.4 for further detail as to the meaning of this term.

Cochlear becomes aware of information if an Officer (within the meaning of the Corporations Act) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an Officer. Cochlear's Officers include each of the directors, Company Secretary and each member of the Cochlear Executive Team.

It is therefore essential that all Cochlear Personnel consider whether information may be market sensitive information. Paragraph 4.1 sets out the internal processes for escalating potentially disclosable information within Cochlear.

### 2.3 Exception

Paragraph 2.2 does not apply to particular information while each of the following is satisfied:

- a) A reasonable person would not expect the information to be disclosed; and
- b) The information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- c) One or more of the following applies:
  - i. it would be a breach of a law to disclose the information;
  - ii. the information concerns an incomplete proposal or negotiation;
  - iii. the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - iv. the information is generated for Cochlear's internal management purposes; or
  - v. the information is a trade secret.

### 2.4 Market sensitive information

Information is "market sensitive" if a reasonable person would expect the information to have a material effect on the price or value of Cochlear's securities. A reasonable person is taken to expect this if the information would or would be likely to *influence persons who commonly invest in securities* in deciding whether or not to acquire or dispose of Cochlear securities. This test is derived from the Corporations Act. In alignment with Guidance Note 8, Cochlear interprets this test as referring to persons who buy and hold securities for a period of time, based on their view of the inherent value of the security (rather than those persons seeking to take advantage of very short term price fluctuations and who trade into and out of securities without reference to their inherent value and without any intention to hold them for any meaningful period of time).

In assessing whether information is market sensitive information, the information needs to be considered in context, rather than in isolation, against the backdrop of:

- a) the circumstances affecting Cochlear at the time;
- b) any external information that is publicly available at the time; and
- c) any information that Cochlear has previously disclosed to the market.

In assessing whether information is market sensitive information, Cochlear Personnel should ask themselves:

1. Would the information influence my decision to buy or sell Cochlear shares at their current market price?
2. Would I feel exposed to an action for insider trading if I were to buy or sell Cochlear shares at their current market price, knowing this information had not been disclosed to the market?

If the answer to either question is “yes”, the information should be escalated via the relevant internal process set out at Paragraph 4.1.

## 2.5 Avoiding a False Market

The ASX considers that a “false market” will exist where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery, for example where:

- a) Cochlear 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.

If the ASX considers that there is or is likely to be a false market in Cochlear’s shares or other securities, the ASX may request that Cochlear provide it with information to correct or prevent the false market. In accordance with the ASX Listing Rule 3.1B, Cochlear will give the ASX the information necessary to correct or prevent the false market, or if it is unable to do so, will request a trading halt. The extent of the information to be provided by Cochlear will depend on the nature of the false market and the information requested by the ASX, which must be determined in the particular circumstances of each case. The ASX may require disclosure of market sensitive information in these circumstances, even when the three limbs of the exception under Paragraph 2.3 are otherwise satisfied. The ASX may also require disclosure of information that is not of itself market sensitive information and which would not otherwise be required to be disclosed under this Policy or the ASX Listing Rules.

## 2.6 Compliance with ASX requests

Cochlear must give the ASX any information, document or explanation that the ASX asks for to enable the ASX to be satisfied that Cochlear is, and has been, complying with its continuous disclosure obligations.

# 3. Responsibilities

## 3.1 Board of Directors

The Board is responsible for ensuring Cochlear complies with its continuous disclosure obligations, including compliance by Cochlear Personnel with this Policy.

The Board is responsible for approving and authorising any announcement to be given to the ASX in respect of matters clearly within the reserved powers of the Board (and responsibility for which has not been delegated to Management) and matters that are otherwise of fundamental significance to Cochlear. If:

- a) the ASX announcement must promptly and without delay be given to the ASX in order for Cochlear to comply with its continuous disclosure obligations;

- b) it is impractical to obtain timely Board approval and authorisation; and
- c) it is not appropriate to apply for a trading halt,

the announcement may be approved and authorised to be given to the ASX by the Chair and CEO & President, acting jointly. If one of the Chair and CEO & President is unavailable, the alternate is the Chair of the Audit and Risk Committee.

### **3.2 CEO & President**

The CEO & President shall be responsible for approving and authorising any announcement to be given to the ASX in respect of matters for which responsibility has been delegated to Management. Such decisions shall be made in consultation with all of the following persons that are available: the Chief Financial Officer, the Company Secretary and the Head of Investor Relations. If the CEO & President is unavailable, the alternate is the Chair.

### **3.3 Company Secretary**

Subject to Paragraph 3.1, the Company Secretary shall be responsible for:

- a) ensuring Cochlear complies with its continuous disclosure obligations; and
- b) communicating with the ASX in relation to ASX Listing Rule matters including lodging disclosures with the ASX; and
- c) overseeing and co-ordinating disclosure of information to the ASX, analysts, stockbrokers, securityholders, the media and the public; and
- d) educating Cochlear Personnel on Cochlear's continuous disclosure obligations, policies and procedures and raising awareness of the principles underlying continuous disclosure; and
- e) co-ordinating, preparing and approving all media releases by Cochlear and each of its related entities (not including paid advertising); and
- f) providing the Board of Directors with copies of all material market announcements promptly after they have been made; and
- g) approving and authorising any procedural and administrative announcement to be given to the ASX.

### **3.4 Authorised Company Spokespersons**

Unless otherwise advised, the nominated Company Spokespersons are the Chair, CEO & President, Chief Financial Officer, Company Secretary, Head of Investor Relations and any other persons authorised by the Chair or CEO & President. Cochlear Personnel should refer to the Global External Communications and Media Policy for further information.

The Company Spokespersons are entitled to clarify information publicly released through the ASX, but they should not add to or reveal market sensitive information. The Company Secretary will liaise with those persons about Cochlear's disclosure history to reduce the likelihood of inadvertent disclosure of market sensitive information.

The Company Secretary should be kept advised of all discussions with the media and consulted in relation to any significant briefings or disclosures.

### 3.5 All Cochlear Personnel - Confidentiality

All Cochlear Personnel have a duty to keep Cochlear's confidential information secret and confidential and not to disclose it, except as permitted by Cochlear or as required by law. Cochlear Personnel must only use Cochlear's confidential information for the purposes of their employment by Cochlear. These restrictions are especially relevant where Cochlear is seeking to rely on an exception to the disclosure requirement, as the information must remain confidential in order to avoid a disclosure obligation arising prematurely. Cochlear Personnel should refer to the confidentiality section of the Global Code of Conduct for further information on their confidentiality obligations.

For the purposes of the ASX Listing Rules, information is confidential if:

- a) it is known to only a limited number of people;
- b) the people who know the information understand that it is to be treated in confidence and only used for permitted purposes; and
- c) those people abide by that understanding.

## 4. Procedures

### 4.1 Potentially Disclosable Information

- a) Any director of Cochlear or any of its related entities, or any member of the Cochlear Executive Team, who becomes aware of any information concerning Cochlear that may be covered by Paragraph 2.2 above, shall immediately provide such information to the Company Secretary.
- b) All other Cochlear Personnel who becomes aware of any information concerning Cochlear that may be covered by Paragraph 2.2 above, shall immediately provide such information to any Cochlear Executive Team member, who in turn must immediately provide it to the Company Secretary.
- c) Disclosure issues will be a standing item at meetings of the Board of Directors. All potential matters for disclosure should be brought to the attention of the Company Secretary. Each Cochlear Executive Team member will provide a signoff advising whether the executive is, or may become, aware of any information concerning Cochlear that may be covered by Paragraph 2.2 above. All matters disclosed to the ASX since the last Board meeting will also be noted.
- d) Matters of strategic and/or operational importance that are likely to influence an investment decision may, depending on the circumstances, be considered market sensitive information which should be released to the market (e.g. the appointment of a key executive, or any material terms of a key service agreement). Such matters must be immediately brought to the attention of the Company Secretary.

### 4.2 Communication of Disclosable Information

- a) All information that would be expected to have a material effect on the price or value of Cochlear's securities will be released by the Board of Directors, the CEO & President or Company Secretary to the ASX before any other person.
- b) Disclosures and announcements should be reviewed prior to disclosure to ensure that they are accurate, balanced and expressed in a clear and objective manner, allowing investors to assess the impact of the information when making investment decisions.
- c) All information disclosed to the ASX in compliance with this Policy will be promptly placed on Cochlear's website following receipt of confirmation from the ASX.

- d) If any Cochlear Personnel becomes aware of an inadvertent disclosure of market sensitive information (which has not been disclosed to the ASX) or that confidential Cochlear information may have been leaked, he or she shall immediately provide such information to any Cochlear Executive Team member, who in turn must immediately provide it to the Company Secretary.

#### **4.3 Managing Market Speculation and Rumours**

Market speculation and rumours, whether substantiated or not, have a potential to impact Cochlear. Cochlear does not respond to speculation in media or analyst reports and market rumours. Cochlear Personnel must observe this Policy at all times. Notwithstanding this, Cochlear may respond to a report where:

- a) the report appears to be based on credible market sensitive information (whether accurate or not) and has had, or is expected to have, a material effect on the price or trading volumes of Cochlear's securities; or
- b) Cochlear is required to respond to a formal request from the ASX (refer to Paragraph 2.5 above).

#### **4.4 Requesting a Trading Halt or Voluntary Suspension**

It may be necessary to request a trading halt or voluntary suspension from the ASX for Cochlear to remain compliant with its continuous disclosure obligations.

The CEO & President will make all decisions in relation to a trading halt or voluntary suspension. If the CEO & President is unavailable:

- a) the Chief Financial Officer will make the decision; and
- b) if the Chief Financial Officer is unavailable, the Company Secretary will make the decision.

Any decision in relation to a trading halt or voluntary suspension shall be made in consultation with the Chair, where practicable.

#### **4.5 Contact with the Market**

- a) Cochlear interacts regularly with the market in a variety of ways including result briefings, market announcements, formal addresses and one on one briefings with external parties including analysts, stockbrokers and securityholders. In addition, Cochlear provides background and technical information to institutional investors and stockbroking analysts to support announcements made to the ASX. In this section these types of contacts will be called "market discussions".
- b) Cochlear recognises that it is important to have market discussions and that there should be no undisclosed market sensitive information communicated during these discussions. The authorised Company Spokespersons may clarify information that Cochlear has publicly released, but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.
- c) Where a question raised in a market discussion can only be answered by disclosing market sensitive information, Cochlear Personnel must decline to answer the question or take the question on notice and wait until Cochlear announces the information publicly through the ASX before responding. If any Cochlear Personnel participating in the market discussion 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.
- d) If any other Cochlear Personnel (other than an authorised Company Spokesperson) receives a request for comment from any external party in relation to any matter concerning Cochlear, they must advise that person that they are not authorised to speak on behalf of Cochlear and must refer inquiries to the Company Secretary.

- e) Slides and presentations to be used in market discussions must be given to the ASX for immediate release to the market prior to being used and/or being posted on Cochlear's website. These slides and presentations must have first been provided to the Company Secretary, before the relevant market discussion, in order for the Company Secretary to determine whether all market sensitive information has been previously disclosed to the market or may require disclosure.
- f) After each market discussion, Cochlear should review the matters covered by the market discussion to make sure that no previously undisclosed market sensitive information has been inadvertently disclosed. If inadvertent disclosure has occurred, Cochlear will ensure that the relevant information is given promptly and without delay to the ASX for immediate release and then posted on Cochlear's website.

#### 4.6 Analyst Reports and Forecasts

Cochlear recognises the important role performed by analysts in assisting the establishment of an efficient market with respect to Cochlear's securities. However, Cochlear is not responsible for, and will not comment on, or endorse, analyst reports or forecasts that contain commentary on Cochlear, other than where necessary or appropriate to correct errors in factual matters and underlying assumptions and only in relation to material that has already been publicly disclosed by Cochlear.

Where analysts send draft reports to Cochlear for comment, they must immediately be referred to the Company Secretary. The information may be reviewed only for the purposes of correcting errors in factual matters and underlying assumptions and inaccuracies on historical matters. Any correction of errors in factual matters and underlying assumptions by Cochlear does not imply endorsement of the contents of these reports.

Cochlear will monitor the general range of analysts' forecast earnings relative to Cochlear's own internal forecasts and any financial forecasts published by Cochlear. If analysts' forecasts or consensus estimates are diverging materially from Cochlear's guidance, Cochlear will consider whether the market is under informed and whether there is any information covered by Paragraph 2.2 that needs to be disclosed.

Cochlear will publicly announce any material change in expectations before commenting to anyone outside Cochlear.

#### 4.7 Disclosure of Corporate Governance Compliance

Cochlear will include in its annual Corporate Governance Statement, available on the 'Investors' or 'Investor Centre' section of Cochlear's website, all such information as Cochlear is required to disclose as a consequence of the reporting requirements specified in the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

#### 4.8 Breaches of This Policy

Cochlear Personnel are expected to strictly comply with this Policy and breaches will be subject to disciplinary action, up to and including dismissal or termination of business contract.

## 5. Version Control

Policy application	Global
Policy approver	Board of Directors
Policy owner name	Group General Counsel & Company Secretary
Policy delegate name	Global Compliance Officer & Assistant Company Secretary
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