

Continuous Disclosure Procedures and Policy

As a publicly listed company, and given the increasing focus on corporate governance, Ten Network Holdings Ltd (Ten Holdings) must ensure it complies with the Australian Securities Exchange (ASX) Listing Rules, and Corporate Governance Principles and Recommendations set by the ASX Corporate Governance Council.

The Listing Rules and the Corporations Act impose obligations on Ten Holdings, its directors, executive officers and senior executives in relation to the immediate disclosure of information that could affect the price or value of Ten Holdings' shares.

Failure to comply may expose both the Company and the person involved in criminal or civil legal proceedings.

The ASX's Corporate Governance Principles and Recommendations are also clear.

Principle 5 states that companies *should 'promote timely and balanced disclosure of all material matters concerning the company'*.

This Principle indicates that there should be mechanisms in place to ensure that *'all investors have equal and timely access to material concerning the company - including its financial situation, performance, ownership and governance'*.

Policy Overview:

The Continuous Disclosure Policy of Ten Holdings is:

- no director, executive officer or employee of Ten Holdings shall make disclosure of any price sensitive information, including to journalists, analysts, fund managers, advertisers or media buyers, other than in accordance with this Continuous Disclosure Policy;
- in the event that any director, executive officer or employee of Ten Holdings and its subsidiaries becomes aware of any material price sensitive information, disclosure shall immediately be made to the Company Secretary or the Group Chief Financial Officer, for review in conjunction with the Chairman;
- Ten Holdings will comply with the ASX Listing Rules by immediately notifying the Australian Securities Exchange (ASX) of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Ten Holdings shares; and
- all information provided by Ten Holdings to the ASX shall subsequently be disclosed on the TEN corporate website.

Further details are set out in the Ten Holdings' Continuous Disclosure Policy and Procedures.

The Company Secretary, Stephen Partington, and the Group Chief Financial Officer, Paul Anderson, are responsible for the Continuous Disclosure Policy and the implementation of its procedures.

The core message of the Policy is that it is the responsibility of each director, executive and employee of Ten Holdings to ensure that Ten Holdings meets its continuous disclosure obligations, as required by the ASX Listing Rules and Corporate Governance Principles and Recommendations.

Continuous Disclosure Policy And Procedures:

1.1 Continuous Disclosure Policy - Ten Network Holdings Limited (Ten Holdings) will immediately notify financial markets via an announcement to the Australian Securities Exchange (ASX) of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of Ten Holdings shares.

It is the responsibility of each director, executive officer and senior executive of Ten Holdings to communicate to the Company Secretary or the Group Chief Financial Officer any information regarding Ten Holdings and its subsidiaries that may have a 'material effect' on the price or value of Ten Holdings' shares as soon as you become aware of that information.

Examples of information that would require disclosure include:

- a change in the entity's financial forecast or expectation;
- 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;
- giving or receiving a notice of intention to make a takeover;
- an agreement between the entity (or a related party or subsidiary) and a director (or a related party of the director);
- a change in accounting policy adopted by the entity;
- any rating applied by a rating agency to an entity, or securities of an entity, and any change to such a rating; and

- a proposal to change the entity's auditor.

Such information will then be considered in conjunction with the Chairman to determine the nature and form of any disclosure that should be made to the ASX.

Ten Holdings' directors, executive officers and senior executives could face penalties and even imprisonment for failure to comply with the continuous disclosure obligations.

The Company Secretary and the Group Chief Financial Officer are responsible for the Continuous Disclosure policy and procedures set out in this document. Those people are:

Stephen Partington (ph: 02 9650 1260 email spartington@networkten.com.au);
and

Paul Anderson (ph 02 9650 11250 email panderson@networkten.com.au).

1.2 Exceptions Disclosure is not required under the Listing Rules where:

- a) a reasonable person would not expect the information to be disclosed; and
- b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- c) one or more of the following conditions is satisfied:
 - (i) it would be a breach of 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 the internal management purposes of Ten Holdings; or
 - (v) the information is a trade secret.

Importantly, *all three* requirements (a, b and c) must be met. In particular, and contrary to popular belief, confidentiality on its own is not sufficient.

Should *any* of these elements no longer be satisfied (for example, previously confidential information ceases to be confidential in the opinion of ASX), Ten will immediately notify the market by an announcement to the ASX.

If Ten Holdings receives an inquiry from the ASX regarding confidentiality, the Company Secretary will deal with the matter in accordance with the earlier section titled *False Markets*.

1.3 Contents of this Policy

The document provides details and directives on the following issues regarding Ten Holdings' Continuous Disclosure Policy:

- Persons Covered By The Policy
- Materiality
- Communication of Information
- Trading Halts
- False Markets - Managing Speculation
- Responsibilities of Company Secretary & Chief Financial Officer
- Briefing Investors, Analysts & the Media
- Authorised Spokespersons - Financial Markets & the Media
- Handling Unanticipated Questions
- Communication of Information
- Earnings Expectations
- Responding on Financial Projections & Reports
- Exceptions to Disclosure Policy
- Consequences of Breaches

1.4 Persons Covered By Policy And Procedures

This policy and the procedures apply to all directors, executive officers and senior executives of Ten Holdings and its subsidiaries.

An *Executive Officer* is a person who is concerned in, or takes part in, the management of the Company (regardless of the person's designation and whether or not the person is a director of the Company).

Senior Executives include:

- a) The Chief Executive Officer;
- b) The Chief Executive Officer - Eye Corp;

- c) persons with direct reporting responsibilities to these Chief Executive Officers; and
- d) persons with direct reporting responsibilities to one of those persons.

1.5 Materiality

In applying the policy, a threshold will be applied. Information must only be disclosed if it would have a *material* effect on the price or value of Ten Holdings' shares.

Information is 'material' if the information would, or would be likely to, influence investors in deciding whether to buy, hold or sell Ten Holdings' shares.

This is a qualitative test, with assessment of the information occurring in the context of Ten Holdings' business activities, size and place in the market. Previous disclosures to the market must also be considered.

We appreciate that it can often be difficult to determine whether information you possess is material price or value sensitive information. It is therefore recommended that you should always speak to the Company Secretary or the Chief Financial Officer if you are uncertain.

1.6 Communication of Information

Ten Holdings must not release information publicly that is required to be disclosed to the ASX until it has received formal confirmation of its release to the market by the ASX.

The Company Secretary or the Group Chief Financial Officer will verify receipt of such confirmation.

All information disclosed to the ASX in compliance with this policy and procedures will be promptly placed on TEN's corporate website following verification by the Company Secretary or the Group Chief Financial Officer.

1.7 Trading Halts

It maybe necessary to request a trading halt from the ASX to ensure that orderly trading in Ten Holdings' shares is maintained and to manage disclosure issues.

The Company Secretary, in consultation with the Executive Chairman and/or the Chief Executive Officers, and, where practical, the directors, will make all decisions in relation to trading halts.

No employee is authorised to seek a trading halt except with the approval of the Company Secretary.

1.8 False Markets - Managing Market Speculation and Rumours

Market speculation and rumours, substantiated or otherwise, have the potential to impact upon Ten Holdings.

In responding to market speculation or rumours from investors, analysts or the media, the following comment will normally be made:

Ten Holdings' representatives should advise external parties seeking confirmation or comment that the Company does not respond to market speculation or rumours.

If Ten Holdings receives an inquiry from the ASX, the Company Secretary will endeavour to resolve the matter informally with the ASX, after consultation with directors and external advisers if necessary.

If Ten Holdings receives a formal request from the ASX to assist in correcting or preventing a false market in Ten Holding's shares, the Company Secretary (in liaison with directors and external advisers if necessary) will provide to the ASX the appropriate information.

1.9 Responsibilities of Company Secretary and Group Chief Financial Officer

As a consequence of this policy, the Company Secretary or the Group Chief Financial Officer is responsible for:

- a) overseeing Ten Holding's continuous disclosure policy and procedures and ensuring that Ten Holdings comply with its continuous disclosure obligations;
- b) reviewing, with the Chairman, any proposed announcements by Ten Holdings to the ASX and liaising with directors (as deemed appropriate) in relation to their form and content;
- c) ensuring timely disclosure to the ASX in accordance with 'ASX Online' electronic lodgement requirements;
- d) ensuring timely posting of ASX releases on TEN's corporate website;
- e) recording all ASX and other releases made by Ten Holdings; and
- f) regularly reviewing Ten Holdings' disclosure policy and procedures in light of changes to the Corporations Act and the Listing Rules, and recommending changes to the Board where appropriate.

2.1 Briefing Investors, Analysts and the Media

The rule relating to briefings or interviews:

Ten Holdings must ensure that they do not communicate material price or value sensitive information to an external party except where that information has previously been released publicly through the ASX.

In the event any information is disclosed during any briefing which is considered may impact upon Ten Holdings' share price, immediate notification is to be given to the Company Secretary or the Group Chief Financial Officer.

2.2 Authorised Spokespersons - Financial Markets

The only TEN employees authorised to speak on behalf of Ten Holdings to institutional investors and stockbroking analysts are the:

- a) Chairman
- b) Chief Executive Officer
- c) Chief Executive Officer - Eye Corp
- d) Company Secretary
- e) Group Chief Financial Officer
- f) or the persons to whom (with the prior approval of either the Chairman or the Group Chief Financial Officer) they delegate these functions.

The Company Secretary or the Group Chief Financial Officer must be told of all information to be disclosed in advance, including any written briefing or presentation materials, and, where necessary, the Company Secretary or the Group Chief Financial Officer will outline the Company's disclosure history on the issue to be discussed to the relevant person before they brief anyone outside the company.

Authorised spokespersons should clarify information that Ten Holdings has released publicly through the ASX but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

In the case of television networks, the predominant issues that may be considered market sensitive relate to advertising revenue performance, both in regard to growth and share.

Any director, executive officer or employee of Ten Holdings who has access to revenue or any other financial performance details, and passes on such information, on a selective basis, is in breach if that information is contrary to previous advice issued publicly by the Company.

If any other employee receives a request for comment from an external investor or analyst in relation to a matter concerning Ten Holdings, they must advise that person that they are not authorised to speak on behalf of Ten Holdings and must refer all enquires to the Group Chief Financial Officer, or the Company Secretary.

2.3 Authorised Spokespersons - Media

The only TEN employees authorised to speak on behalf of Ten Holdings to journalists or other media representatives analysts are the:

- a) Chairman
- b) Chief Executive Officer
- c) Chief Executive Officer - Eye Corp
- d) Group Chief Financial Officer
- e) Head of Corporate Communications
- f) or the persons to whom (with the prior approval of either the Chairman or the Group Chief Financial Officer) they delegate these functions.

Prior to an employee being interviewed by a journalist, should there be any concerns over Ten Holdings' financial situation and performance being raised, the employee should consult with the Chief Financial Officer regarding the Company's most recent public statements.

Authorised spokespersons should clarify information that Ten Holdings has released publicly through the ASX but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

If any other employee receives a request for comment from an external investor or analyst in relation to a matter concerning Ten Holdings, they must advise that person that they are not authorised to speak on behalf of Ten Holdings and must refer all enquires to the Chief Financial Officer or the Head of Corporate Communications.

All interviews with journalists, whether over the phone or in person, should be recorded.

Post interviews, if there are any concerns over information given by the employee, then the Group Chief Financial Officer or the Company Secretary should be advised the details of what was said. If there has been a potential or obvious breach of the Listing Rules, then a transcript of the section of the interview should be immediately released to the ASX and posted on the Company's corporate website once the ASX confirms it has received the information.

2.4 Handling Unanticipated Questions

Material information may only be discussed at briefings after it has been publicly released through the ASX.

If a question is asked in a briefing which can only be answered by disclosing material price or value sensitive information which has not been publicly released, employees must decline to answer the question or take the question on notice.

If any TEN employee participating in a briefing 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 Group Chief Financial Officer or the Company Secretary.

2.5 Communication of Information

All briefing and presentation materials will be disclosed to the market through the ASX and placed on TEN's corporate website.

2.6 Earnings Expectations

Ten Holdings may disclose earnings expectations through the ASX by announcing a range within which earnings are likely to fall. Where Ten Holdings has made such disclosure, any change in earnings expectations must be announced to the ASX before being communicated to anyone outside the company.

2.7 Responding on Financial Projections and Reports

Ten Holdings is not responsible for, and do not endorse, analysts' reports that contain commentary on the Company.

Ten Holdings does not incorporate analysts' forecasts in any Ten Holdings' corporate information, including the TEN corporate website.

The analysts' reports may be reviewed only to correct factual inaccuracies on historical matters. Any correction of factual inaccuracies by Ten Holdings does not imply endorsement of the content of the report.

Ten Holdings will not comment on any profit forecasts that may be contained in an analyst's report. However, Ten Holdings may produce a 'consensus' summary of analysts' forecasts.

3.0 Consequences of Breaches

3.1 Criminal Liability

Any intentional, knowing, reckless or negligent breach of the continuous disclosure obligations by Ten Holdings, our directors, executive officers or senior executives is an offence.

The penalty for contravention by an individual is a fine of \$22,000 and/or up to five years imprisonment. In addition, Ten Holdings may be fined up to \$110,000.

3.2 Civil Liability

Anyone who suffers loss as a result of an intentional, knowing, reckless or negligent contravention may sue Ten Holdings, and any person involved in the contravention, for damages.

If a vital piece of information is not disclosed, or is disclosed late, investors who have acted in the meantime, by buying or selling Ten Holdings' shares, might argue that they would have acted differently had the information been disclosed and therefore the contravention has caused them to make a loss.

3.3 Civil Penalty Orders

Directors, executive officers and senior executives may also be liable for breach of their individual duties of care, resulting in the imposition of a civil penalty order on that person, including a pecuniary penalty of up to \$200,000 or a compensation order.

Relief from such penalties may be granted where the person has acted honestly.

3.4 Remedial and Disqualification Orders

In the event of a contravention, Ten Holdings, and any person involved in the contravention, could be subject to remedial or disqualification orders.

For example, the court could order Ten Holdings to refund money or return property to a person who suffered loss as a result of the contravention, or to publish information to the public or individual people, by way of advertisement or otherwise.

In addition, directors, executive officers and senior executives may be disqualified from managing any company (including Ten Holdings) for a period that the court considers appropriate.



3.5 Suspension

ASX may suspend Ten Holdings' shares from quotation or remove Ten Holdings from the official list if, in ASX's opinion, Ten Holdings is unable or unwilling to comply with, or breaks, a listing rule.

3.6 Disciplinary Action

Breaches by employees of Ten Holdings of this policy and the procedures may lead to disciplinary action, including dismissal in serious cases.