

Disclosure and Communication Policy

Happy Valley Nutrition Limited (5952532) (**HVN** or **Company**)

Adopted by the Board on 29 October 2019

1. Introduction

1.1 Company's Commitment to Disclosure and Communication

The Company is committed to the objective of promoting investor confidence and the rights of shareholders by:

- (a) complying with the continuous disclosure obligations imposed by law;
- (b) ensuring that Company announcements are presented in a factual, clear and balanced way;
- (c) ensuring that all shareholders have equal and timely access to material information concerning the Company; and
- (d) communicating effectively with shareholders and making it easy for them to participate in general meetings.

1.2 Purpose of this policy

This policy outlines corporate governance measures adopted by the Company to further its commitments. It seeks to incorporate:

- (a) Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of shareholders) of the ASX Corporate Governance Council's: Corporate Governance Principles and Recommendations;
- (b) the principles in ASX's Guidance Note 8 - Continuous Disclosure: Listing Rule 3.1 – 3.1B (**Guidance Note 8**); and
- (c) disclosure obligations in the ASX Listing Rules (**ASX Listing Rules**).

1.3 Application and Objectives of this policy

This policy applies to all directors on the board of the Company, as well as officers, employees and consultants of the Company.

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This policy is a general guide to complex legal provisions and should not be taken as legal advice.

The objectives of this policy are to:

1. ensure that the Company is able to meet its continuous disclosure obligations under the ASX Listing Rules and legislative requirements; and
2. establish internal procedures so that all Company personnel understand their obligations to ensure:
 - (a) confidential information is protected; and
 - (b) disclose Price Sensitive Information (as defined in clause 2.1) to the Disclosure Officer.

2. Continuous Disclosure Obligations

2.1 Disclosure Obligations

The Company is listed on ASX and must comply with the continuous disclosure obligations in the ASX Listing Rules.

Chapter 3 of the ASX Listing Rules deals with the continuous disclosure requirements that a listed company must satisfy. In particular, Listing Rule 3.1 states that once an entity is or becomes aware of any information concerning it, subject to certain exceptions, that a reasonable person would expect to have a material effect on the price or value of the entity's securities (**Price Sensitive Information**), the entity must immediately inform ASX of that information.

"Immediately" means promptly and without delay, that is, doing it as quickly as it can be done in the circumstances and not deferring, postponing, or putting it off to a later time.

Under ASX Listing Rule 19.12, the Company is deemed to have become aware of information if, and as soon as, a director or other officer of the Company has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or other officer of the Company. An 'officer' is a person who is concerned in, or takes part in, the management of the Company, regardless of their designation, and includes directors, company secretaries and certain senior managers.

The disclosure obligation applies not only to market sensitive information of which the Company directors or other officers are actually aware, but also market sensitive information of which they ought reasonably to have been aware. This rule necessitates that a listed entity takes positive steps to establish and maintain an effective internal compliance program.

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2.2 Immediate notification of information which may have a material effect on price or value of the Company's Securities

Information will be taken to have a material effect on the price or value of the Company's securities if it would be likely to influence investors in deciding whether to buy, hold or sell the Company's securities if the information became public.

This information needs to be disclosed to ASX under ASX Listing Rule 3.1 unless an exception applies at that time.

What is material depends on the Company's business activities, size and place in the market. A matter may be material even if there is little impact on the Company's financial position and/or financial prospects. For example, the matter may have a significant impact on the Company's reputation or perception of the Company's strategy.

Guidance Note 8 to the ASX Listing Rule 3.1 suggests an effective way to assess materiality would be to ask two questions:

- (1) Would this information influence my decision to buy or sell securities in the entity at their current market price?
- (2) Would I feel exposed to an action for insider trading if I were to buy or sell securities in the entity at their current market price, knowing this information had not been disclosed to the market?

In addition, in assessing whether or not information is market sensitive and therefore needs to be disclosed under Listing Rule 3.1, the information needs to be looked at in context, rather than in isolation, against the backdrop of:

- The circumstances affecting the Company at the time;
- Any external information that is publicly available at the time; and
- Any previous information that the Company has provided to the market.

2.3 Exceptions to disclosure of information

Disclosure of price sensitive information is not required to the ASX while **all** of (a)- (c) are satisfied:

- (a) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (b) 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

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- insufficiently definite to warrant disclosure;
 - (iv) the information is generated for the internal management purposes of the Company; or
 - (v) the information is a trade secret; and
- (c) a reasonable person would not expect the information to be disclosed.

These exceptions seek to balance the legitimate commercial interests of listed entities and their security holders with the legitimate expectations of investors and regulators concerning the timely release of market sensitive information. Where one of these requirements ceases to be satisfied, the exception no longer applies and the entity must disclose the information immediately under Listing Rule 3.1.

Guidance Note 8 provides further detail on exceptions to immediate disclosure.

Price sensitive information, which is not disclosed to the market, because it satisfies the three limbs outlined above under ASX LR3.1A, must not be passed on to third parties (other than to those connected with a proposed transaction). Staff negotiating a proposed transaction must ensure, to the extent possible, any third party involved with the transaction must not disclose the information to other parties or deal in the Company's securities.

3. Disclosure roles, responsibilities and internal procedures

3.1 Role and responsibilities of the Board

The Board will manage the Company's compliance with its disclosure obligations and this policy. The Boards' responsibilities include:

- (a) seeking to ensure that the Company complies with its disclosure obligations including having relevant procedures in place;
- (b) assessing the possible materiality of information which is potentially price sensitive;
- (c) making decisions on information to be disclosed to the market;
- (d) seeking to ensure that announcements are made in a timely manner, are not misleading, do not omit material information and are presented in a clear, balanced and objective way;
- (e) reviewing the Company's periodic disclosure documents and media announcements before release to the market; and
- (f) periodically monitoring disclosure processes and reporting and periodically reviewing the effectiveness of the disclosure and materiality guidelines.

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3.2 Role and responsibilities of the Company Secretary

The Company has appointed the Company Secretary as the disclosure officer, the person responsible for communication with ASX in relation to listing rule matters, and also for the general administration of this policy.

The Company Secretary's responsibilities include:

- (a) seeking to ensure that ASX is immediately notified of any information which needs to be disclosed;
- (b) distributing continuous disclosure announcements to the Board and senior managers by email immediately after they have been released to the ASX;
- (c) convening meetings of the Board as necessary to consider disclosure issues;
- (d) maintaining a record of discussions and decisions made about disclosure issues by the Board on disclosure issues and a register of announcements made to ASX (this should be a standing item on the agenda's of Board meetings);
- (e) overseeing and coordinating the disclosures of information to the ASX, shareholders, analysts, stockbrokers, media and the public; and
- (f) educating officers on the Company's disclosure policy and procedures, and raising awareness of the principles underlying continuous disclosure.

3.3 Roles and Responsibilities of the CEO and CFO

The CEO and CFO, as executive officers of the Company, shall be responsible for ensuring that the Board/the Company Secretary is/are informed of all relevant disclosure issues.

This obligation is fulfilled by:

- (a) reviewing covering broker analyst reports and assessment of earnings consensus and other material financial matters in those reports;
- (b) reviewing executive reports, including financial results, compliance and risks;
- (c) reviewing external events and circumstances which may impact the financial performance of the Company; and
- (d) monitoring of financial press and media tracking of materials in relation to the Company; and
- (e) own knowledge/own acts (eg, based on their own reports/work).

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3.4 Other employees - disclosure and materiality guidelines

This policy is provided to all officers and relevant employees on appointment. They must read this policy so as to gain an appreciation of what type of information may potentially be price sensitive and when to immediately refer any matter or event which may need to be disclosed to the Board/Company Secretary.

Significant amendments made by the Board to this policy will be communicated to officers and relevant employees by the Company Secretary.

4. Disclosure matters generally

4.1 Inform ASX first

The Company must not release any information publicly that is required to be disclosed through ASX until the Company has received formal confirmation of its release to the market by ASX, unless otherwise permitted by the Listing Rules.

Information must not be given to the media before it is given to ASX, even on an embargo basis.

4.2 Speculation and rumours

Generally, the Company will not respond to market speculation or rumours unless a response is required by law or ASX.

On media speculation, the Company has a strict “no comment” policy which must be observed by all employees. The Company may only make a statement about or respond to speculation or rumour where the Board considers that it is obliged or required to do so. The CEO will decide if a response is required.

4.3 False market

ASX does not expect an entity to respond to all comments made in the media or all market speculation. However, so that the market remains properly informed it will require a listed entity to respond to a false market. A false market refers to a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. This may arise, for example, where:

- a listed entity has made a false or misleading announcement;
- there is other false or misleading information, including a false rumour, circulating in the market; or
- a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole.

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4.4 Trading Halts

If necessary, the Board may consider requesting a trading halt from ASX to ensure orderly trading in the Company's securities on an uninformed basis to manage disclosure issues.

5. Market Communication

5.1 Communication of information

The Company Secretary will ensure that the Board receives copies of all material market announcements promptly after they have been released to the market.

The Company will post on its website relevant announcements made to the market and related information after they have been released to ASX following receipt of confirmation from ASX.

Material price sensitive information will be posted as soon as reasonably practicable after its release to ASX.

5.2 Communication with Analyst and Brokers

In addition to the ASX announcements, the Company's senior management personnel and directors interact regularly with the market in a variety of ways, including result briefings, market announcements, one on one briefings, meetings and educational sessions.

Generally, price sensitive information must not be communicated to an external party unless it has previously been announced to the market.

5.3 Authorised Company Spokespersons For Dealing With Institutional Investors And Stockbroking Analysts

The Company has authorised spokespeople to speak on behalf of the Company to institutional investors and stockbroking analysts. The authorised spokespersons that have been appointed are the Chairman, CEO and CFO.

If another person receives a request for comment from an external investor or analyst in relation to any matter concerning the Company, they must advise the person that they are not authorised to speak on behalf of the Company (unless authorised to the contrary by an authorised person above) and must refer inquiries from:

- investors and stockbroking analysts to the CEO or the CFO; and
- the media to the CEO, CFO and/or the Chairman.

A separate section on communicating with the media follows.

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5.4 Open Briefings To Institutional Investors And Stockbroking Analysts

The Company's general rules for dealing with analysts' questions that raise issues outside the intended scope of discussion are as follows:

1. Only discuss information that has been publicly released through the ASX and not to discuss any material price/value sensitive information that has not been announced to the market generally.
2. If a question can only be answered by disclosing price sensitive information, the authorised spokesperson may decline to answer the question or take it on notice, then announce the information through the ASX before responding.

All slides and presentation materials used in briefings with analysts and institutional investors are released to ASX prior to the briefing.

For compliance purposes, notes must be made of all one-on-one briefings held by the Company personnel with stockbroking personnel and institutional investors. These file notes must be maintained for a reasonable period.

Refer section 7 for further details on Blackout periods – pre results.

5.5 Responding On Financial Projections And Reports

Notwithstanding the ability of an investor to derive their own forecasts, the reality is the forecast information provided by analysts are widely used by investors in deciding to buy, hold or sell securities in the Company.

The CEO and CFO monitor the analysts' forecasts and will keep the Board up to date in this regard.

Where the Company receives forecasts from analysts for review prior to issuing a report, the CEO and CFO may:

- point out factual inaccuracies, based on previously released information; and/or
- discuss in general terms where analysts may have used different market assumptions.

The ASX has provided the following guidance in relation to disclosure around market expectations of the financial performance of a listed entity.

1. Where the Company provides periodic earnings guidance, this guidance must have a reasonable basis in fact or else it will be deemed to be misleading. Should the entity anticipate a material change to this guidance, the market should be informed immediately.
2. Where the Company does not give earnings guidance, care needs to be taken to ensure that statements could not be construed as de facto

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guidance. In addition, a listed entity that is covered by sell-side analysts should generally be monitoring analyst forecasts so that there is an understanding of the market's expectations for its earnings.

3. Where neither of the above two scenarios apply to the Company, the market is entitled to rely on the earnings results of the Company for the prior corresponding reporting period. If the Company becomes aware that its earnings for the current reporting period will differ materially from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of this.

6. **Announcement Sign-Off Protocol**

The Company has put in place the following procedures for ASX related announcements.

1. Announcements in relation to statutory accounts and results releases will require **all directors** to approve the announcement.
2. Announcements of a general corporate nature (eg divestments, acquisitions) will require **all directors** to approve the announcement, unless delegated authority has been specifically provided by the Board to a sub-committee or individual directors.
3. Announcements of a compliance related nature (excluding director's interest notices) do not require the approval of all directors. Such announcements will be approved by the CEO and Chairman.
4. Appendix 3X, 3Y and 3Z, director's interest notices, require the approval of the director to whom the notice relates.

The ASX has suggested processes to assist listed entities in complying with their continuous disclosure obligations in situations where disclosure can be extremely time critical, including having templates for trading halts, draft announcements prepared in advance and encouraging the use of trading halts.

7. **Blackout Periods Pre Results Period**

During the time between the end of the financial year or half year and the reporting of actual results, the Company has put in place blackout periods to ensure that there are no one-on-one briefings to discuss financial information with stockbroking analysts, institutional investors or individual investors ahead of annual and half yearly results, unless the information to be discussed at these briefings has already been disclosed to ASX.

The blackout period will commence at the end of the financial period (i.e. 30 June & 31 December) and will end on the date the results (or preliminary results for annual financials) are issued to the market.

In addition, there is a comprehensive blackout period for 14 days prior to the

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release of the annual and half yearly results where no meetings are permitted to be held with stockbroking analysts, institutional investors or individual investors.

8. Dealing with the media

8.1 Introduction

The following procedures have been established to ensure that communications through the media are professional, ethical and support the Company's corporate policies and business objectives.

8.2 Authorised Spokespersons

The CEO, CFO and/or the Chairman are the appointed spokespersons for communicating with the media. The Board may authorise another spokesperson, however this authority should be written, and outline the areas of discussion with the media representative. In practical terms, the authorised spokesperson may not comment on or issue material that is outside their specific area of responsibility and authority. Furthermore, these authorised spokespersons are prohibited from disclosing/commenting on any price sensitive information unless it has been previously disclosed to the market.

Other staff members receiving inquiries from the media, and who have not been authorised as spokespersons, are prohibited from making any comments to the media. Such enquiries will need to be referred immediately to the CEO and/or the Chairman.

9. Investor Relations and Shareholder communication

9.1 Investor Relations

The Company will design and implement an investor relations program that shall be reviewed periodically. The Company implements a range of investor relations strategies to facilitate effective two-way communication with investors. The Company also recognises the importance of general stakeholder engagement.

9.2 Reports to shareholders

The Company produces quarterly, half yearly and yearly financial reports and an annual report. It seeks to give balanced and understandable information about the Company and its proposals in its reports to shareholders.

9.3 The Company's website

The Company's website contains information about the Company including shareholder communications, announcements made to the market and related information. Investor information will be posted in a separate section on the website from other material about the Company.

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Relevant press releases, the Company's financial announcements and financial data and the Company's charters and policies are also available on the Company's website.

The website also provides information for shareholders to direct inquiries to The Company.

9.4 Use of electronic communication and other technology

Shareholders may elect to receive information electronically and the facility for this has been established by the Company's share registry.

The Company will communicate by post with shareholders who have not elected to receive information electronically.

The Company may consider the use of other reliable technologies as they become widely available.

9.5 General meetings

General meetings are used to communicate with shareholders and allow an opportunity for informed shareholder participation. Shareholders are encouraged to attend or, if unable to attend, to vote on the resolutions proposed by appointing a proxy or using any other means included in the notice of meeting.

For the convenience of shareholders, the Company provides a direct voting facility where appropriate.

The Company conducts its general meetings in accordance with the Company's constitution, legislative requirements and the ASX Listing Rules.

The Company affords shareholders the opportunity to provide questions or comments ahead of general meetings and this is outlined in the notice of meetings. Where appropriate, these questions are answered at the meeting either by responding directly to the question or having it addressed within the Chairman and CEO addresses, as appropriate.

9.6 Notices of meetings

The Company seeks to ensure that the form, content and delivery of notices of general meetings will comply with the Company's constitution, legislative requirements and ASX Listing Rules. Notices of meeting and accompanying explanatory notes aim to clearly, concisely and accurately set out the nature of the business to be considered at the meeting. The Company will place notices of general meetings and accompanying explanatory material on the Company's website.

9.7 Auditor to attend AGM

The external auditor will attend the annual general meeting and be available to

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answer questions about the conduct of the audit and the preparation and content of the auditor's report.

9.8 Shareholder privacy

The Company recognises that privacy is important and will not disclose registered shareholder details unless required by law. Shareholder details will only be used in accordance with applicable privacy laws.

10. Administration

10.1. Training

As part of The Company's commitment to its continuous disclosure obligations all directors, executives, officers and employees of the Company must:

- be issued with a copy of the Company's continuous disclosure policy and procedure;
- accept the terms of this policy, including the obligation imposed upon them to keep non-public Company information confidential as a condition of their employment or office; and
- attend any training programs held in relation to the Company's continuous disclosure policy and procedures.

10.2. Where can I obtain further information?

If you require further information or assistance, or are uncertain about the application of this policy or the law, please contact the Company Secretary.

10.3. Review and publication of this policy

The Board will review this policy from time to time, but at least on an annual basis. This policy may be amended by resolution of the Board.

A copy of this policy will be available on the Company's website. It will be distributed to all directors, employees and other persons as relevant. Key features will be published in the Corporate Governance Statement.

11. Consequence of Breach of Policy

Failure to strictly comply with this policy may result in serious civil or criminal liability for the Company and its officers and could damage the reputation of the Company. When required, disclosure must be made immediately. Any employee or officer of the Company, who is uncertain as to whether certain information should be disclosed, should immediately contact the company secretary.

A failure of a director or employee of the Company to comply with this policy may lead to disciplinary action being taken, including dismissal or removal in serious cases.