



DISCLOSURE POLICY

Introduction

This document sets out the policy of Bionomics Limited ("**Company**") concerning the Company's continuous disclosure obligations ("**the Policy**"). It was approved by the Board on 5 November 2003. The Board also agreed that the Policy should be reviewed from time to time.

It has been prepared having regard to the practices and policies of other listed companies and other materials, including the Australian Securities Exchange (**ASX**) Listing Rules and Guidance Notes, the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* and the Australasian Investor Relations Association's *Best Practice Guidelines for Communication between Listed Entities and the Investment Community*.

Policy Objectives

The Policy is designed to ensure that:

- all shareholders in the Company, the market and other interested parties have equal and timely access to material information concerning the Company; and
- the Company complies with its continuous disclosure obligations under the *Corporations Act 2001* and the *ASX Listing Rules*.

The Board and the management of the Company are committed to the implementation of the Policy and its objectives.

1. Legal and Regulatory Obligations

The Company operates under an ASX and ASIC legal environment where specific listing rules etc are in place to ensure an informed market environment. Key listing rules are noted below.

1.1. ASX Listing Rule 3.1

ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of any information that a reasonable person would expect to have a material effect on the price or value of the Company's securities ("**Material Information**").

A reasonable person would expect information to have a material effect on the price or value of the Company's securities if the information would, or would be likely to, influence an investor in deciding whether to buy, hold or sell the Company's securities.

The Company will not release Material Information to an external party except where that information has previously been disclosed to the market generally.

1.2. Exceptions to Listing Rule 3.1

In accordance with ASX Listing Rule 3.1, the Company will not be required to disclose any Material Information if:

- A reasonable person would not expect the information to be disclosed;
- The information is confidential; and
- One or more of the following applies:
 - (a) It would breach a law to disclose the information;
 - (b) The information concerns an incomplete proposal or negotiation;
 - (c) The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (d) The information is generated for internal management purposes of the Company; or
 - (e) The information is a trade secret.

1.3. Examples and Guidance Note 8

Annexure A to this Policy contains a non-exhaustive list of examples of types of information, which will usually be considered material (as provided in Listing Rule 3.1 and ASX Guidance Note 8).

Annexure B contains a copy of ASX Guidance Note 8 relating to continuous disclosure under Listing Rule 3.1.

2. Internal Structure & Responsibilities

The Company's internal control mechanisms and processes to ensure systematic and timely evaluation of whether any new information may require disclosure are as follows:

2.1 Responsibility for Disclosure Decisions

The Chief Executive Officer and Managing Director (CEO) is responsible for making the decision as to whether any information is considered Material Information and therefore should be disclosed to the ASX under this Policy. The CEO is also responsible for the compilation of the announcement in line with the Policy. Once considered ready for release, the CEO will have the Chairman, or his designate, review the announcement and approve the release of the announcement to the market.

The Chairman will decide whether any proposed announcements in relation to a significant matter should be referred to the Company's Board and/or any relevant Board Committees for further consideration. For example the Audit

Committee and Board will review ASX Announcements relating to the Company's financial results prior to release to the market.

While noting the examples and guidance set out in Listing Rule 3.1 and ASX Guidance Note 8 (see Annexure A), the CEO is responsible for determining, on a case by case basis, as to whether any particular piece of information constitutes Material Information and requires an announcement.

2.2 Responsibilities of Personnel and Management

The current executive management committee of the Company (EMC) is that set out in Annexure C. The EMC will have ASX announcements as a standing agenda item at its regular meetings at which time the EMC will identify and discuss any issues that may require ASX disclosure. If and to the extent that they are uncertain as to whether information requires disclosure, the CEO will seek legal advice on this issue and/or the view of the ASX.

However, members of the EMC are responsible for raising any issues that may require potential disclosure immediately rather than delaying discussion to the next scheduled EMC meeting. Company personnel will also be required to inform management of any information that may potentially require disclosure under this Policy as soon as they become aware of it.

The CEO will delegate preparation of the announcement to the appropriate members of the EMC. All releases will be reviewed and signed off by the appropriate members of the EMC and by the EMC as a whole before finalisation with the Chairman for ASX release.

Final approval of the ASX disclosures will reside with the Chairman but may be delegated to the CEO.

2.3 Documentation and Review Requirements Surrounding Disclosure Evaluation and ASX Announcements

The reasons for deciding that information brought to the CEO's and Chairman's attention in accordance with this Policy should or should not be disclosed will be documented. Where necessary, they will ensure that appropriate Company personnel and external advisors review ASX announcements. They will also ensure that fact verification materials in relation to announcements are obtained and are maintained for a reasonable period following an announcement.

2.4 Wording

The wording of all ASX announcements shall be factual, presented in a clear and objective format and include all material information to allow all investors to take into consideration the impact of the announcement on their investment decision.

This Material Information should ordinarily include the context in which the announcement affects the strategy or operations of the Company. However, expressions of any intentions or likelihoods, including potential outcomes, are not to be included, unless these expressions are clearly qualified as to the risks involved.

Where appropriate, ASX announcements will include a safe harbour statement principally in accordance with the sample statement set out in Annexure D.

2.5 Publication

Following receipt of confirmation of lodgement of an announcement with the ASX, all Material Information disclosed to the ASX under this Policy will be promptly published on the Company's website (or otherwise released to the market) within 24 hours of the announcement where possible.

The Company will maintain a register of parties to whom copies of ASX announcements will be sent following confirmation of lodgement with the ASX under this policy.

2.6 Monitoring Compliance

The Chief Financial Officer (CFO) and Company Secretary will be responsible for monitoring the disclosure practices of the Company and compliance with this Policy generally and will report to the Board on any need to update the Policy from time to time. The Chief Financial Officer and Company Secretary will also be responsible for promoting amongst the Company's personnel an understanding of the principles underlying continuous disclosure, the Company's disclosure obligations under the ASX Listing Rules and the need for compliance with this Policy.

The Company's Audit Committee will be responsible for and will, at each of its meetings, consider the Company's compliance with this Policy.

2.7 Statutory Filings

Certain statutory filings such as, Issue of Shares (3B) and Notice of Annual General Meeting are not covered by this policy. These statutory filings will be prepared by the Company Secretary, and then reviewed prior to lodgement by either the CEO or the CFO.

3. Control Processes Over Other Disclosures to the Investment Community and the Public at Large

The Company on a regular basis issues other information into the market or holds discussions with individual investors, investment brokering firms and other members of the public at large. Preparation and review of these processes is to be managed as follows.

3.1 Media Releases

The Company may also issue media releases to advise of specific events that may or may not require an ASX Announcement. The preparation and issue of such media releases should follow the same preparation and approval process as an ASX announcement to ensure objective and clear communication to the investment community and general community. Final approval of all media releases will be by the CEO. If a media release is prepared in conjunction with an ASX announcement, it is essential that all Material Information is included in both the media release and the ASX announcement.

Examples of media releases would include announcements of new appointments other than senior appointments, (which would require an ASX Announcement.)

3.2 Discussion and Responses to Outside Parties Including All Forms of Media and the General Investment Community

Discussions with all outside parties regarding any part of the company affairs which are material and may influence directly or indirectly investors is strictly restricted to the Chairman, CEO, Chief Financial Officer and Company Secretary or as otherwise designated by the CEO or Chairman on particular issues.

This delegation is essential to ensure consistent disclosure to the market on all material issues.

Any Company personnel who receive a request for comment on the Company's affairs from an external third party must refer the enquiry to the CEO, Company Secretary and Chief Financial Officer.

3.3 Analyst Reports and Forecasts

It is the policy of the Company not to comment on, or endorse analysts' reports or forecasts other than commenting on information that has previously been disclosed to the market is public knowledge or to correct inaccuracies. Where analysts send draft reports to the Company for comment, they must be immediately referred to the CEO who will consult with the Chairman regarding the report.

The Company will keep a record of any information or comment provided to analysts. The Company will provide a standard disclaimer for use on all responses made to analysts, e.g. "The Company is not responsible for and does not endorse any analyst report that contains commentary on the Company. The Company will not provide non-disclosed material price or value sensitive information in response to any such report. The information may be reviewed only to correct inaccuracies and any correction of inaccuracies by the Company does not imply endorsement of the content of the report."

3.4 Open Briefings

The Company may hold open briefings with institutional investors or stockbroking analysts to discuss information that has previously been disclosed to the market. The timing of open briefings will be notified on the Company's website in advance.

No Material Information will be disclosed during such briefings until that information has been disclosed to the ASX. Where a question raised in an open briefing can only be answered by disclosing Material Information, the relevant person must decline to answer the question until the Company announces the information through the ASX.

All open briefings must be attended by at least two representatives of the Company and notes must be taken of the proceedings at the briefing and such notes must be kept for a reasonable period of time.

If a representative of the Company attending the briefing suspects that Material Information has potentially been disclosed in a briefing, that representative will be required to inform the CEO immediately and the procedures set out in the Policy shall then apply.

3.5 Individual Briefings

The Company may hold individual briefings with investors, institutional investors or stockbroking analysts and media to provide background and technical information to assist such persons in their understanding of the Company's business activities.

No Material Information will be disclosed during such briefings until that information has been disclosed to the ASX.

All individual briefings should be attended by at least two representatives of the company, where practicable. Notes are to be taken of the proceedings at the briefing and such notes, such as presentations, must be kept for a reasonable period of time.

If a representative of the Company attending the briefing suspects that Material Information has potentially been disclosed in a briefing, that representative will be required to inform the CEO immediately and the procedures set out in the Policy shall then apply.

3.6 Briefing Materials

Any written materials to be used at open or individual briefings (e.g. slides presentations, papers) must be provided in advance to the CEO and the Chief Financial Officer to determine whether any of the information contained in such materials has been previously disclosed to the market and whether any such information may require prior disclosure to the ASX.

Where appropriate, briefing materials will include a safe harbour statement principally in accordance with the sample statement set out in Annexure D.

4. Other Considerations for Any Potential External Communications or Discussions by the Company

4.1 Market Speculation

Neither the Company nor any of its personnel will comment on market speculation or rumours unless required to do so by law or the ASX or where the speculation or rumours contain errors of fact, which the Company considers, could materially affect the Company. Any comment to be made in these circumstances may only be made with the prior approval of the CEO and the Chairman.

The Company will use reasonable endeavours to safeguard and otherwise keep confidential all potentially Material Information so as to avoid, to the extent possible, premature disclosure of such information.

The Company will not make comments on other companies unless prior approval from the other company has been received in a verifiable form.

4.2 Trading Halts and 'Blackout' Periods

The Company may request a trading halt from the ASX to maintain orderly trading in the Company's securities or to prevent trading of the Company's securities in an inefficient and uninformed market. The CEO in consultation with the Chairman (who may decide to consult the other Directors) will be responsible for determining whether a trading halt will be requested.

The Company may impose communication 'blackout' periods from time to time during which the Company will not hold briefings (other than to discuss matters that have been announced to the ASX), such as a blackout period during the four weeks prior to release of both half year and full year financial results.

In any event, all Directors will be advised immediately of a trading halt or blackout period.

4.3 No Embargos

Company personnel must not disclose any Material Information or potentially Material Information (for example to analysts or journalists) under an embargo arrangement.

4.4 Policy Breaches

A breach of this Policy may lead to disciplinary action being taken against an employee or manager including dismissal in the most serious cases.

ANNEXURE A

[Extracted From Listing Rule 3.1 and ASX Guidance Note 8]

Information that will usually be material:

- (a) financial performance and significant changes in financial performance, forecasts or budgets;
- (b) changes in directors and senior management;
- (c) mergers, acquisitions, disposals, joint ventures or significant changes in assets particularly where the consideration payable or receivable is a significant portion (e.g. 10%) of the written down value of the Company's assets;
- (d) significant developments in regard to new development projects or ventures;
- (e) events regarding the Company's shares and other securities;
- (f) major new contractors or agreements;
- (g) significant changes in the business conducted by the Company;
- (h) industry issues which may have a material impact on the Company;
- (i) major litigation or, in certain circumstances, claims;
- (j) decisions by regulatory bodies on significant issues affecting the Company (e.g. ACCC, ASIC);
- (k) appointment of a receiver, manager, liquidator or administrator;
- (l) recommendation or declaration of a dividend or distribution or a recommendation or decision that a dividend or distribution will not be declared;
- (m) under subscriptions or over subscriptions to an issue;
- (n) market sensitive information that the Company lodges with an overseas stock exchange or regulator which is available to the public;
- (o) giving or receiving a notice of intention to make a takeover;
- (p) an agreement between the Company (or a related party) and a director (or a related party);
- (q) a change in accounting policy adopted by the company;
- (r) a proposal to change the Company's auditor.

ANNEXURE B
ASX Guidance Note 8

(R) click below for link to Guidance Note

http://www.asx.com.au/ListingRules/guidance/gn08_continuous_disclosure.pdf

ANNEXURE C

Executive Management Committee

<u>Position</u>	<u>Name</u>
CEO & Managing Director	Dr Deborah Rathjen
CFO & Company Secretary	Mr Trevor Thiele
VP Chemistry	Dr Andrew Harvey
VP Discovery Research	Dr Gabriel Kremmidiotis

ANNEXURE D

Safe Harbour Statement

Factors Affecting Future Performance

This [announcement/press release] contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this press release that relate to prospective events or developments, including, without limitation, statements regarding our estimate for results of operations, are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including risks related to our available funds or existing funding arrangements, a downturn in our customers' markets, our failure to introduce new products or technologies in a timely manner, regulatory changes, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantages, as well as other factors which are more fully described in our Annual Report. Subject to the requirements of any applicable legislation or the listing rules of any stock exchange on which our securities are quoted, we disclaim any obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.