

# Continuous Disclosure Policy

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## 1 Introduction

This policy sets out Adbri Limited's (the Company) practice in relation to continuous disclosure.

This policy sets out the procedure for:

- senior executives identifying material price sensitive information;
- reporting such information to the Company Secretary for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules (which carry serious penalties).

The insider trading provisions of the Corporations Act may apply to a "self dealing" action being contemplated by the Company, such as a capital raising or rights issue, and in these circumstances a higher level of disclosure may be required.

This Continuous Disclosure Policy does not address guidelines for directors, senior executives and employees in buying and selling the Company's shares, which are set out in the separate policy "Share Trading Policy".

The obligations discussed in this Continuous Disclosure Policy are in addition to the Company's obligations to make routine disclosures (eg disclosures in annual reports, disclosure of a change to a director's interest, etc).

## 2 Continuous Disclosure Policy

The Company has obligations under the Corporations Act and ASX Listing Rules to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or misinformation in the market. The Company discharges these obligations by releasing information to the ASX in the form of an ASX release or disclosure in other relevant documents (eg the Annual Report).

Information must not be selectively disclosed (ie to analysts, the media or customers) before it is announced to the ASX.

### 2.1 The Policy

The following procedures apply to safeguard against inadvertent breaches of the Company's continuous disclosure obligations:

- i) directors and senior management must notify the Company Secretary as soon as they become aware of information that should be considered for release to the market (material information);
- ii) the Company Secretary will:
  - (1) review the material information reported by senior management;

- (2) determine, in consultation with the Managing Director, the Chairman or other members of the executive, whether any of the material information is required to be disclosed to the ASX; and
- (3) co-ordinate the actual form of disclosure with the relevant members of management.

These procedures are supported by additional processes and systems to provide the Company's shareholders with important information in a timely manner through electronic means. In particular the Company seeks to:

- provide a comprehensive and up-to-date website which includes copies of all material information lodged with the ASX (including announcements and financial information) as well as other company information;
- place all relevant announcements, briefings and speeches made to the market or the media on the website; and
- place full text of notices of meetings of shareholders and accompanying explanatory notes on the website.

## 2.2 Your obligations

As soon as you become aware of information that:

- is not generally available (ie the information in question has not been included in any Annual Report, ASX Release or other publication of the Company); and
- which may be price sensitive (ie it is likely to have a financial or reputational impact upon the Company that may be considered material),

you must provide to the Company Secretary the following information:

- a general description of the matter;
- details of the parties involved;
- the relevant date of the event or transaction;
- the status of the matter (eg final/negotiations still in progress/preliminary negotiations only);
- the estimated value of the transaction;
- the estimated effect on the Company's finances or operations; and
- the names of any in-house or external advisers involved in the matter.

If there is any change in the information, you must notify the Company Secretary of the change.

## 2.3 Analyst/Media Briefings

Information provided to, and discussions with, analysts are also subject to the continuous disclosure policy.

As a general rule, only the Chairman, Managing Director or the Group Corporate Affairs Adviser are authorised to issue statements or make comments to the media or to speak on behalf of the Company to analysts or journalists unless prior approval is obtained from the Managing Director or the Chief Financial Officer (CFO).

Material information must not be selectively disclosed (ie to analysts, the media or customers) prior to being announced to the ASX. If you are proposing to present any material information to analysts, journalists or customers, you should ensure that copies of your material are provided to [the CFO,] the Group Corporate Affairs Adviser or the Company Secretary prior to presenting that information externally.

All inquiries from analysts must be referred to the CFO, the Company Secretary or the Group Corporate Affairs Adviser. All material to be presented at an analyst briefing must be approved by or referred through the CFO, the Company Secretary or the Group Corporate Affairs Adviser prior to briefing.

All inquiries from the media must be referred to the CFO, the Company Secretary or the Group Corporate Affairs Adviser. All media releases must be approved by or referred through the CFO, the Company Secretary or the Group Corporate Affairs Adviser prior to release to journalists.

All media releases and material to be presented (for example at seminars) must be approved by or referred through the CFO, the Company Secretary or the Group Corporate Affairs Adviser prior to release to journalists or other professional bodies.

## **2.4 Interview/Briefing Black-out period**

No employee may give an interview or make a presentation in the two month period leading up to the annual results announcement or in the one month period before the publication of any other results or outlook without the specific permission of the Managing Director.

Any person who is given permission by the Managing Director to give an interview or make a presentation must notify the Company Secretary of the date and time for the interview and must give a copy of any presentation to the Company Secretary.

Additional periods in which interviews may not be given or in which presentations may not be made without the specific permission of the Managing Director may be imposed. Relevant persons will be notified of any such additional interview/briefing black-out period.

## **3 Legal Obligations**

### **3.1 Introduction**

The Corporations Act and the ASX Listing Rules require the Company, as a company listed on the ASX, to comply with continuous disclosure obligations.

## 3.2 Disclosure obligations

### 3.2.1 ASX Listing Rule 3.1

- i) ASX Listing Rule 3.1 requires that the Company immediately notify the ASX of:

*Any information of which the Company becomes aware, concerning the Company that a reasonable person would expect to have a material effect on the price or value of any securities issued by the Company.*

### 3.2.2 Material effect on the price of securities

A reasonable person is taken to expect information to have a material **effect** on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

In forming a view as to whether a reasonable person would consider information to be material, previous disclosure to the market should be considered, for example previously released profit expectations, commentary on likely results, or detailed business plans or strategies. A list of matters that may be considered material is set out in Annexure A. This list is merely indicative and should not be seen as an exhaustive list of the matters that should be considered for disclosure.

### 3.2.3 Information in the Company's knowledge

The Company becomes **aware of information** if any of its directors or executive officers has, or ought reasonably to have, come into possession of the information in the course of the performance of his or her duties as a director or executive officer of the Company.

The disclosure obligation does not apply where the information is "generally available". Information is considered to be generally available if:

- (1) it consists of a readily observable matter; or
- (2) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and a reasonable period for it to be disseminated among such persons has elapsed; or
- (3) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

### 3.2.4 Release of Information to Others

The Company must not release the material price sensitive information to any person (eg brokers, analysts, the media, professional bodies or any other person) until it has given the information to the ASX and has received an acknowledgment that the ASX has released the information to the market.

### 3.3 Exceptions to ASX disclosure obligations

Disclosure under Listing Rule 3.1 is not required where **each** of the following conditions is and remains satisfied:

- (1) a reasonable person would not expect the information to be disclosed; **and**
- (2) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
- (3) **one or more** of the following conditions apply:
  - (a) it would be a breach of 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 solely for the internal management purposes of the Company; or
  - (e) the information is a trade secret.

As soon as any of these elements are no longer satisfied (for example, the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligations. Confidentiality will be lost if the information becomes known (eg it is leaked) either selectively or generally, whether inadvertently or deliberately. The Company should also ensure that employees and third parties having access to the confidential information are made aware of and commit to observe the confidentiality of the information.

The exception in Listing Rule 3.1A cannot be relied upon if there is a period of self-dealing (for example, during a share buy-back).

The Company Secretary, in consultation with the Managing Director, the Chairman and other relevant executives (as appropriate), is responsible for considering and deciding whether or not, in each particular case, the Company can rely on the exception in Listing Rule 3.1A.

### 3.4 False markets

If ASX considers that there is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, then the Company must give ASX the information needed to correct or prevent the false market (ASX Listing Rule 3.1B). The Company is also required to make a clarifying statement to the ASX in circumstances where the Company becomes aware that speculation or comment is, or is likely to, create a false market in the Company's securities.

The obligation to give information under this rule applies, even where an exception described above in part 3.3 applies.

The ASX does not expect the Company to respond to all media comment and speculation. However, when:

- media comment or speculation becomes reasonably specific; or
- there is evidence that, or ASX forms the view that, the rumour or comment is likely to have an impact on the price of the Company's securities, for example, the market moves in a way that appears to be referable to the comment or speculation,

the Company has a positive obligation to make disclosure to prevent a false market being formed.

## 4 Management of the Policy

### 4.1 ASIC/ASX Guidance

ASIC and ASX have issued guidance notes which suggest practical steps that listed companies can take to ensure that they meet their continuous disclosure requirements.

The ASIC guidance note suggests:

- keeping to a minimum the number of directors and staff authorised to speak on the Company's behalf;
- appointing a senior officer to have responsibility for ensuring compliance with the Company's continuous disclosure obligations. This officer should be aware of information disclosures in advance, including information to be presented at private briefings; and
- that procedures should be implemented which will ensure that price sensitive information is released first to the ASX before disclosing it to others outside the Company.

The Company has nominated the Company Secretary as the person with primary responsibility for all communication with the ASX.

### 4.2 Specific Responsibilities

The Company Secretary is responsible for:

- i) liaising with the ASX in relation to continuous disclosure issues;
- ii) ensuring that the system for the disclosure of all material information to the ASX in a timely fashion is operating;
- iii) co-ordinate the actual form of disclosure, including reviewing proposed announcements by the Company to the ASX and liaising with the Managing Director, Chairman or other relevant executives in relation to the form of any ASX releases;
- iv) liaising with Group Executives and the Board of Directors, as appropriate, in relation to the disclosure of information;

- v) where appropriate, co-ordinating the pre-preparation of draft announcements even where the Company is not yet required to make disclosure to the market;
- vi) keeping a record of all ASX and other releases that have been made;
- vii) periodically reviewing the Company's disclosure procedures in light of changes to the ASX Listing Rules or to the Corporations Act and recommending any necessary changes to the procedures;
- viii) preparing regular disclosure reports to the Board of the Company which advise of:
  - (1) material matters considered and the form of disclosure (if any); and
  - (2) any material changes to the Company's continuous disclosure process.

## 5 Contraventions and Penalties

### 5.1 Contravention

The Company contravenes its continuous disclosure obligations if it fails to notify the ASX of the information required by the Listing Rules.

Either the ASX or ASIC may take action in relation to a suspected contravention.

Contravention of its continuous disclosure obligations will also lead to unwanted publicity for the Company and will cause damage to its reputation in the market place which may adversely impact the market value of its securities, and damage its relationship with the regulators.

### 5.2 Liability and enforcement

#### 5.2.1 ASX Listing Rules

If the Company contravenes its continuous disclosure obligations under the Listing Rules, the ASX may suspend trading in the Company's shares or may de-list the Company from the ASX.

#### 5.2.2 Corporations Act

If the Company contravenes its continuous disclosure obligations, it may also be liable under the Corporations Act and may face:

- criminal liability which attracts substantial monetary fines; and
- civil liability for any loss or damage suffered by any person as a result of the Company's failure to disclose relevant information to the ASX.

However, if the court finds that the Company has acted honestly and reasonably the court may, in its discretion, excuse the company from civil liability.

ASIC can also institute proceedings under the ASIC Act 1989.



ASIC also has power to issue an infringement notice to the Company where it has reasonable grounds to believe that the Company has contravened its continuous disclosure obligations (see section 6).

#### 5.2.3 *Persons involved in the contravention*

The Company's officers (including its directors), employees or advisers who are involved in the contravention by the Company, may also face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.

#### 5.2.4 *"Due diligence" defence*

A person will not be considered to be involved in the contravention if the person proves that they:

- i) took all reasonable steps to ensure that the Company complied with its continuous disclosure obligations; and
- ii) after doing so, believed on reasonable grounds that the Company did comply with its continuous disclosure obligations.

## 6 ASIC infringement notices

### 6.1 Overview of statutory provisions

If ASIC has reasonable grounds to believe that the Company has failed to comply with its continuous disclosure obligations, it may issue an infringement notice to the Company, providing details of the alleged contravention and requiring the Company to pay a penalty, as set out in the notice.

However, prior to issuing the notice, ASIC must issue the Company with a written statement of reasons, and give the Company an opportunity to appear at a private hearing before ASIC, give evidence and make submissions to ASIC in relation to the alleged contravention.

### 6.2 Statement of reasons

If the Company receives a written statement of reasons from ASIC, the Company Secretary, in consultation with the Managing Director, the Chairman and other relevant executives (as appropriate), is responsible for considering and determining how the Company should respond (if at all) to the statement of reasons.

### 6.3 Infringement notice

If the Company receives an infringement notice from ASIC, the Company Secretary, in consultation with the Managing Director, the Chairman and other relevant executives (as appropriate), is responsible for considering and determining how the Company should respond (if at all) to the infringement notice.

## Annexure A – Information Disclosure Requirements

The Company must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by the Company. Set out below is an illustrative list of matters that may give rise to an obligation to make disclosure. Any such matter must be notified to the Company Secretary, who will in conjunction with the Managing Director, the Chairman and other relevant executives (as appropriate) determine whether disclosure is required.

This list is a guide only and should not be taken as an exhaustive list of issues to be disclosed.

Relevant information / matter	
1	the financial condition, results of operations, company issued forecasts and earning performance of the Company or a controlled entity, which are significantly different from that anticipated by the Company or the market;
2	a proposed acquisition or disposition of material assets to be announced by the Company, a controlled entity or joint venture partner;
3	significant foreign activities (or significant proposed foreign activities), by the Company or a controlled entity;
4	a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case;
5	events or occurrences that have an impact on the operations of the Company or a controlled entity;
6	natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
7	significant changes in technology or the application of technology which could affect business;
8	a proposed announcement to alter pricing or tariff policies other than in the ordinary course of business;
9	resolving to pay a dividend, or a recommendation that no dividend be paid;
10	a material change in accounting policy adopted by the Company;
11	legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees (other than debt recovery proceedings or insured workers' compensation claims);
12	any notification by a Ratings Agency that it will review the credit rating of the Company;
13	a change in the Company's financial forecast or expectation;
14	the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any controlled entity;
15	changes in the Company's senior management or auditors;
16	any negative publicity;
17	entry by the Company or a company controlled by the Company into a new line of business or the discontinuance of a particular line of business; and

Relevant information / matter	
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18	planning to undertake a significant financing or security issue (whether debt or equity) or to take other action with respect to outstanding securities (eg share repurchase program, redemption of bonds) or any default on any securities.
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[adbri.com.au](http://adbri.com.au)

GPO Box 2155  
Adelaide SA 5001  
+61 8 8223 8000  
[info@adbri.com.au](mailto:info@adbri.com.au)

