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## CONTINUOUS DISCLOSURE POLICY

### 1 OVERVIEW

The Corporations Act and the ASX Listing Rules require that material price sensitive information be released to the market immediately it becomes known, unless it falls within an exception to the rule.

The Board's policy is to comply with the letter and spirit of the relevant laws and regulations and to ensure that shareholders, and the markets generally, are informed of all material developments that impact on the Company; and that all disclosures made by the Company are clear, complete, objective and not misleading.

A detailed Disclosure Procedure exists to maintain the market integrity of the Company's shares listed on the Australian Securities Exchange (ASX). It is proposed that the Company adopt the following written policies and procedures designed to manage the Company's compliance with its continuous disclosure obligations and to assign management accountability for compliance.

The Managing Director and Chief Executive Officer has ultimate authority and responsibility for approving market disclosure, which in practice is exercised in consultation with the Company Secretary. All releases, including relevant external briefing and presentation materials, will be made available on the Company website. The Company's continuous disclosure policy is proposed to be consistent with Principle 5.

### 2 THE LAW

#### 2.1 Compliance with the Law

Section 674 of the Corporations Act requires that the Company comply with the provisions of the Listing Rules relating to the continuous disclosure to the ASX of material information relating to the Company. The Corporations Act states that if the Company has information that the continuous disclosure provisions of the Listing Rules require the Company to notify the ASX and that information is:

- (a) not generally available; and
- (b) information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of the Company's shares,

The Company must notify the ASX of that information in accordance with the Listing Rules.

#### 2.2 Material Effect of Information on the Company's Shares

Section 677 of the Corporations Act states that:

"A reasonable person would be taken to expect information to have a material effect on the price or value of securities (Company shares) 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, the securities."

#### 2.3 Breach – Offences, Infringement Notices and Liabilities

A breach of section 674 of the Corporations Act is both a criminal and civil offence.

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Furthermore, under section 1317DAC of the Corporations Act, the Australian Securities & Investments Commission may issue an Infringement Notice for an alleged contravention of the Act.

A person who is involved in any contravention by the Company of its continuous disclosure obligations also commits a civil offence. However, a person will not be liable if the person can prove that they:

- (a) took all steps (if any) that were reasonable in the circumstances to ensure that the Company complied with its continuous disclosure obligations; and
- (b) after doing so, believed on reasonable grounds that the Company was complying with its obligations.

A third party who incurs a loss as a result of a breach of the Company's continuous disclosure obligations may commence action against the Company or any Employee who was involved in the breach.

### **3. THE ASX LISTING RULES**

#### **3.1 ASX Policy**

The ASX's Policy is that:

*"Timely disclosure must be made of information which may affect security (share) values or influence investment decisions, and information in which security (share) holders, investors and ASX have a legitimate interest."*

#### **3.2 Continuous Disclosure Obligation to Release Material Information**

To support this Policy, ASX Listing Rule 3.1 contains the continuous disclosure obligation which applies to the Company and all other listed entities. The Rule provides:

*"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."*

As in the *Corporations Act*, the Listing Rules provide that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information **would, or would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the securities**.

**"Immediately"** should be taken to mean within hours of becoming aware of the information.

In this Policy, such information will be referred to as **"Material Information"**.

#### **3.3 Possession of Material Information**

Listing Rule 19.12 also provides:

*"An entity becomes **aware** of information **if a director or executive officer has, or ought reasonably to have**, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."*

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An “**Executive Officer**” is any manager of the Company who is concerned with, or takes part in, the management of the Company.

### 3.4 Restricted Exemptions

Listing Rule 3.1A contains a restricted exemption for any of the following reasons:

- (a) a “reasonable person” would not expect the information to be disclosed;
- (b) the information is confidential (and ASX has not formed the view that the information has ceased to be confidential);
- (c) it would be a breach of law to disclose the information;
- (d) the information concerns an incomplete proposal or negotiation;
- (e) the information is insufficiently definite to warrant disclosure;
- (f) the information is generated for the Company’s internal management purposes only; or
- (g) the information is a trade secret.

Decisions on whether any of these exemptions may apply to Material Information will be made by the Company Secretary.

### 3.5 False Market

Listing Rule 3.1B provides that where:

*“ASX considers that there is or is likely to be a **false market** in an entity’s securities and asks the entity to give it information to correct or prevent a false market, the entity must give ASX the information needed to correct or prevent the false market.”*

There is likely to be a **false market** in Company shares in a number of circumstances including:

- (a) where the Company has Material Information that has not been released to the market because it falls under the exemption in Listing Rule 3.1A; and
- (b) there is reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market (via the ASX); and
- (c) there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of Company shares.

## 4. DISCLOSURE PROCEDURE

The objective of the Disclosure Procedure is to ensure that:

- The disclosure requirements of the Corporations Act and the ASX Listing Rules are met.
- Individuals are aware of their responsibilities regarding the Company’s disclosure obligations.
- Investors have an equal and timely access to material information to allow them to make informed decisions.

- Company Announcements are balanced, factual and negative as well as positive information is disclosed.
- Procedures are in place to monitor compliance.

#### **4.1 Compliance with Disclosure Procedure**

Company directors, executives and others subject to the Disclosure Procedure shall be required to adhere to its provisions under the terms of each agreement creating and governing their relationship with the Company. Individuals are intended to adhere to the Disclosure Procedure both in letter and in spirit. Adherence to the Disclosure Procedure is a term of employment or engagement with the Company. Violation of the Disclosure Procedure by any individual may be subject to disciplinary action including termination of the relationship with the Company.

#### **4.2 Disclosure Principles**

Compliance with the law and relevant regulations related to disclosure is the responsibility of the Company.

Given the requirement to ensure that the market is immediately informed of information that is material to the price and value of the Company's securities, all actions required under this policy must be performed without delay.

##### **4.2.1 Directors', Executive Officers' and Employees' Responsibilities**

All directors, executives and employees of the Company have the obligation to notify the existence of potentially relevant, material information to the attention of the Managing Director and Chief Executive Officer, either directly or through their organizational chain of management.

The Company will be deemed to have become aware of relevant, material information once a director or executive has, or ought reasonably to have, come into possession of that information in the proper performance of that person's duties.

Any such director or executive must bring the information to the attention of the Managing Director/Chief Executive Officer (MD), or in the absence of the MD, the Company Secretary.

##### **4.2.2 Managing Director/Chief Executive Officer and Company Secretary's Responsibilities**

The MD has the authority to make decisions on whether or not announcements are required and to authorize release of announcements.

All disclosure-related matters, which are referred to the MD, will be documented by the Company Secretary. In the event that an announcement is considered inappropriate or unnecessary, the Company Secretary will document and retain the reasons for that decision.

The MD is primarily responsible for the preparation and release of any ASX or other disclosures from time to time. However, in instances where there are market or transaction sensitive elements surrounding an investment transaction, the MD has a responsibility to keep the Board, and particularly the Chairman, fully informed of intended ASX releases.

Responses to all enquires from financial market participants including Company shareholders, brokerage houses, investment banks, corporate, media or other enquiries are the primary responsibility of the MD. The MD has a responsibility to keep other senior executive management

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and Directors fully informed in connection with any unusual enquiries or enquiries received from time to time which may, or in the future are likely, to either be highly publicized or where they may have or lead to an adverse impact on the Company and its reputation.

Any enquiries which in the opinion of the MD give rise, or may likely give rise in the future, to a material legal issue then the Board will be notified immediately concurrently with the Company's legal counsel.

Every meeting of directors will consider whether not any item brought to the Board for discussion, information or decision requires disclosure to the market.

### **4.3 Disclosure Practice**

The MD will address all matters related to disclosure in a timely fashion to ensure that an uninformed or false market in the Company's shares is avoided or minimised. The MD's sole responsibility for the decision-making and implementation of actions related to disclosure obligations may be temporarily delegated, provided that the Chairman of the Board is notified.

The MD will ensure that:

- The continuous disclosure obligations of the Company are drawn to the attention of the Board, executives and employees at least annually.
- Compliance with this policy is monitored regularly and the results of an independent review of compliance are reported to the Board at least annually.
- Trading in the Company's securities is monitored to ensure that the market is not reacting to unfounded speculation, that incorrect speculation is corrected or refuted and that any requests from ASX for clarifying information are met promptly.
- That all possible action is taken to avoid a false or uninformed market in the Company's securities, including the use of a temporary trading halt.
- Involvement between Company personnel and media or market analysts be limited to explicitly authorised individuals and that information provided is strictly limited to that which is publicly available.
- Any information produced by the Company and later found to be misleading or incorrect is immediately corrected.
- Information provided as explanatory or clarifying accompaniments to structured disclosures such as regular periodic financial reports required by the Corporations Act or the ASX Listing Rules shall be complete, clear, factual and not misleading enabling it to be used by investors in making investment decisions.

Any questions relating to the interpretation or enforcement of this Policy should be forwarded to the MD.

## **5. TYPES OF INFORMATION THAT MAY REQUIRE DISCLOSURE**

### **5.1 Types of Information**

For assistance in determining if information is Material Information, the following types of information may be material and therefore may be required to be disclosed:

- material (more than 5%) changes in the Company's financial forecasts or expectations;
- a declaration of a dividend or a decision that a dividend not be declared;
- the making of a share, option or debt issue and the under or over subscription of that issue;
- exogenous events in the financial markets or the mining, pipeline constructions and maintenance services industries, which affect the Company's business etc;
- proposed acquisitions, mergers, sales, joint ventures or takeovers;
- information about the Company's business plans, investment proposals or asset purchases or sales;
- regulatory decisions or industrial actions that may affect the Company's operations;
- the occurrence of an environmentally related incident;
- the threat, commencement or settlement of any material litigation or claim;
- an agreement between the Company (or a related party or subsidiary) and a Director (or related party of the Director);
- a change in accounting policy adopted by the Company;
- a proposal to change the Company's auditors; and
- the health or capacity of any Director.

## **5.2 Other Matters**

Clearly, there are many other matters which may give rise to Material Information. Employees with any questions on whether particular information is material must contact the Company Secretary.

## **5.3 Providing Public Information**

As a listed company, Employees must ensure that only public information is provided when answering questions asked by third parties, including the media and analysts. Media statements or draft analyst reports will only be commented on or corrected by a Director or the MD (or their express nominees) and should only be commented on or corrected if doing so involves the provision of publicly available information.

## **6. QUESTIONS**

Any questions relating to the interpretation or enforcement of this Policy should be forwarded to the Company Secretary.

