



Market disclosure policy

Australian Dairy Nutritionals Limited ABN 36 057 046 607 (Company)

Market disclosure policy

1. Introduction

- 1.1 The shares of the Company are quoted on Australian Securities Exchange Limited (**ASX**).
- 1.2 Under the ASX Listing Rules a company must continuously disclose price-sensitive information to the market. Price-sensitive information is information that a reasonable person would expect to have a material effect on the price or value of a company's shares.
- 1.3 The disclosure obligation is given legislative force under the *Corporations Act 2001* (Cth).
- 1.4 The Group is committed to complying with the continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001* (Cth).
- 1.5 This policy embraces the principles contained in the ASIC guidance note, *Better Disclosure for Investors*, ASX Guidance Note 8, and the *Principles of Good Corporate Governance and Best Practice Recommendations* published by the ASX Corporate Governance Council.

2. Defined terms

In this policy:

Company Shares includes ordinary shares in the Company, rights or options over those shares and any other financial products of the Company traded on ASX from time to time.

Company Shares

Disclosure Officer means the Company Secretary.

Group means the Company and each of its controlled entities.

3. Objective

The objective of this policy is to:

- (a) ensure the Group immediately discloses all price-sensitive information to ASX in accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth);
- (b) ensure officers and employees are aware of the Group's continuous disclosure obligations; and
- (c) establish procedures for
 - (i) the collection of all potentially price-sensitive information;
 - (ii) assessing if information must be disclosed to ASX under the ASX Listing Rules or the *Corporations Act 2001* (Cth);
 - (iii) releasing to ASX information determined to be price-sensitive information and to require disclosure; and
 - (iv) responding to any queries from ASX (particularly queries under Listing Rule 3.1B (see paragraph 9)).

4. Managing Disclosure

- 4.1 The Board is responsible for approving a continuous disclosure system and monitoring the Group's compliance with this policy.
- 4.2 The Board has authorised the CEO or his or her delegate, or, if one has not been appointed, the Chairman to have responsibility for:
- (a) deciding if information should be disclosed to ASX in accordance with paragraph 6 and subject to any decision of the Board;
 - (b) ensuring compliance with continuous disclosure obligations;
 - (c) establishing a system to monitor compliance with continuous disclosure obligations and this policy;
 - (d) monitoring regulatory requirements so that this policy can be amended to ensure it conforms with those requirements;
 - (e) monitoring changes in the market price of and trading volume of Group's Securities to identify circumstances where a potentially false or disorderly market may have emerged in Company Shares.
- 4.3 The Board will be consulted in relation to the disclosure (or non-disclosure) of matters in accordance with clause 6.
- 4.4 The form and content of any announcement in relation to a major matter will be considered and reviewed by the Board. The form and content of any announcement relating to a matter that is not a major matter requires the consideration and approval of the CEO and Chairman.
- 4.5 Decisions about trading halts or pauses in trading will be made following consultation with the Board in relation to major matters and by CEO and Chairman in relation to other matters (or, if such decision is required to be made on an urgent basis and either the CEO or Chairman are not available, with the Disclosure Officer).
- 4.6 Items of an administrative nature such as change of directors' interest may be made by the Disclosure Officer following consultation with either the CEO or the Chairman (or their delegate).

5. Disclosure Officer

- 5.1 The Board has appointed the Company Secretary to act as the Disclosure Officer.
- 5.2 The Disclosure Officer is responsible for:
- (a) conducting all disclosure discussions with ASX;
 - (b) communicating with ASX about general matters concerning the ASX Listing Rules (in accordance with ASX Listing Rule 12.6);
 - (c) ensuring officers and employees are aware of and adequately understand:
 - (i) the continuous disclosure obligations;
 - (ii) their responsibilities in relation to the continuous disclosure obligations and to protect the confidentiality of information (including, when instructing advisers or conducting negotiations in relation to any matter that may give rise to price-sensitive information); and
 - (iii) this policy; and

- (d) if the Disclosure Officer thinks it necessary, implementing training sessions for officers and employees in relation to the continuous disclosure obligations, their responsibilities in relation to those obligations and the protection of confidential information and this policy.
- (e) implementing and supervising procedures for reporting potentially price-sensitive information; and
- (f) ensuring (using all reasonable endeavours) announcements are:
 - (i) factual, free of emotive or argumentative language, do not contain misleading or deceptive statements (including by omission);
 - (ii) are expressed in a clear and objective manner; and
 - (iii) to the extent they contain financial information, compliant with the requirements of *ASIC Regulatory Guide 230 Disclosing non-IFRS financial information*, that allows investors to assess the impact of the information when making investment decisions.

5.3 The Disclosure Officer must maintain a file (**Disclosure File**) of:

- (a) material disclosed to ASX;
- (b) communications with ASX under Listing Rule 3.19B;
- (c) potentially price-sensitive information that has come to the Disclosure Officer's attention and has not been disclosed to ASX; and
- (d) reasons why any potentially price-sensitive information was not disclosed (including applicable exceptions to ASX Listing Rule 3.1 which may apply to a decision not to disclose potentially material information).

5.1 The Disclosure Officer must report the information referred to in paragraph 5.3 to:

- (a) the CEO; and
- (b) the Board at each regular Board meeting.

6. Deciding if information should be disclosed

6.1 If an employee or officer of the Group becomes aware of any information at any time that should be considered for release to the market (even if the employee or officer is in doubt about whether information is potentially price-sensitive), it must be reported immediately to the Disclosure Officer or the CEO.

6.2 Subject to the Board's overriding authority, the CEO and Disclosure Officer are responsible for deciding if information should be disclosed. Where the CEO and Disclosure Officer determine that disclosure is required, the Disclosure Officer must prepare an announcement for lodgement with ASX disclosing that information and:

- (a) for items of an immaterial nature or, where time does not permit the consideration by the Board, seek the approval of the CEO and Chairman to disclose this information to the market prior to release; or
- (b) for material items, seek Board approval to disclose this information to the market prior to release.

6.3 If the CEO and Disclosure Officer cannot agree as to whether information is price sensitive or if it must be disclosed, the matter must be referred to the Board, who will, if necessary, seek external

legal or financial advice and approve the form of the disclosure of this information to the market prior to release.

- 6.4 If, under clause 6.2 or 6.3, it is determined that the information is price sensitive and needs to be disclosed then the Disclosure Officer must:
- (a) lodge an announcement with ASX disclosing the information; and
 - (b) ensure a copy of the announcement is provided to each director.
- 6.5 If the CEO and Disclosure Officer, or the Board decides information is not price-sensitive, or does not have to be disclosed, the Disclosure Officer must:
- (a) make careful notes setting out:
 - (i) how the information came to their attention; and
 - (ii) why it is not price-sensitive, or why it does not have to be disclosed; and
 - (b) record those notes on the Disclosure File.

7. Assessing if information is price-sensitive

- 7.1 The guiding principle is that the Group must immediately disclose to ASX any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of Company Shares.
- 7.2 The reference to immediately means 'promptly and without delay'.
- 7.3 If information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of Company Shares, it is material. However, information could be material in other ways. If there is any doubt, the information should be disclosed to the Disclosure Officer or the CEO.
- 7.4 Examples of the types of information that may need to be disclosed include:
- (a) a change in revenue, or profit or loss, forecasts;
 - (b) a change in asset values or liabilities;
 - (c) a change in tax or accounting policy;
 - (d) a change in the attitude of significant investors to investing in Company Shares;
 - (e) a decision of a regulatory authority in relation to the Group's business;
 - (f) a relationship with a new or existing significant customer or supplier;
 - (g) a formation or termination of a joint venture or strategic alliance;
 - (h) an entry into or termination of a major contract;
 - (i) a significant transaction involving the Group or any of its controlled entities;
 - (j) a labour dispute;
 - (k) a threat, commencement or settlement of any material litigation or claim;
 - (l) the lodging of a document containing price-sensitive information with an overseas exchange or other regulator so that it is public in that country;
 - (m) an agreement between the Group and one of its directors or one of their related parties;
- or

(n) a director's health.

7.5 There are many other types of information that could give rise to a disclosure obligation. For example, a development in a company affiliated with, but not controlled by, the Group may be price-sensitive when related to the Group itself.

8. Exception to disclosure

The Group does not have to give ASX information if:

- (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; and
- (c) one or more of the following conditions in ASX Listing Rule 3.1A.3 applies:
 - (i) it would be a breach of the 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 internal management purposes; or
 - (v) the information is a trade secret.

9. False markets, market speculation and rumours

9.1 Market speculation and rumours, whether substantiated or not, have the potential to impact on the Group. Speculation may also contain factual errors that could materially affect the Group.

9.2 The Disclosure Officer will monitor movements in the price or trading of Company Shares to identify circumstances where a false market may have emerged in Company Shares.

9.3 If ASX asks the Group to give it information to correct or prevent a false market, the Disclosure Officer is responsible for giving the information to ASX after following the procedure in paragraph 6.

9.4 The Group's general policy on responding to market speculation and rumours is that it does not respond to market speculation or rumours. However, the Group may decide to make a statement in response to market speculation or rumours if:

- (a) it considers it is obliged at that time to make a statement to the market about a particular matter; or
- (b) ASX asks for information,

to prevent or correct a false market occurring in Company Shares.

10. Public release of disclosed information

10.1 The Group will publicly release all information announced on the ASX Platform to ASX under this policy by placing it on its website.

10.2 The Disclosure Officer must confirm that the Group has received confirmation from ASX that the information has been released to the market, before publicly releasing the information.

11. Trading halts and pauses in trading

- 11.1 The Group may ask ASX to halt trading or place a pause on trading in Company Shares to:
- (a) maintain orderly trading in its securities; and
 - (b) manage disclosure issues.
- 11.2 The Disclosure Officer will make all decisions about trading halts and pauses in trading, where possible in consultation with the Board.

12. Authorised spokespersons

- 12.1 Only the following persons may speak on behalf of the Group to institutional investors, stockbroking analysts and the media:
- (a) the CEO;
 - (b) the Chairman; and
 - (c) any other person authorised in writing in advance to speak on behalf of the Group by the Board.
- 12.2 Those persons may only clarify information that the Group has publicly released and must not comment on price-sensitive information that has not been released to the market.
- 12.3 The Group will not expressly or implicitly give institutional investors or stockbroking analysts earnings forecast guidance that has not been released to the market.
- 12.4 If other employees are asked to comment by an external investor, stockbroking analyst or the media in relation to any matter concerning the Group they must:
- (a) say that they are not authorised to speak on behalf of the Group; and
 - (b) refer the investor, stockbroking analyst or media to the Disclosure Officer.
- 12.5 Before any media release can be issued the Disclosure Officer must:
- (a) review it;
 - (b) disclose it to ASX; and
 - (c) confirm that the Group has received confirmation from ASX that the information in the media release has been released to the market.

13. Open briefings to institutional investors and stockbroking analysts

- 13.1 The Group may hold open briefings with institutional investors or stockbroking analysts to discuss information that has been released to the market.
- 13.2 For the purposes of this policy:
- (a) public speeches and presentations by the chief executive officer or chief financial officer are open briefings; and
 - (b) any meeting that is not an open meeting is a one-on-one briefing.
- 13.3 Price-sensitive information that has not been released to the market must not be disclosed at open briefings.

- 13.4 If a question raised in a briefing can only be answered by disclosing price-sensitive information, employees must:
- (a) decline to answer the question; or
 - (b) take the question on notice and wait until the Group releases the information to the market through ASX.
- 13.5 If an employee participating in a briefing thinks that something has been raised that might be price-sensitive information that has not been publicly released, he or she must immediately inform the Disclosure Officer or the CEO (if the Disclosure Officer is unavailable).
- 13.6 Before any open briefing, the Group will inform the market about the briefing through ASX.

14. One-on-one briefings with institutional investors and stockbroking analysts

- 14.1 It is in the interests of shareholders that institutional investors and stockbroking analysts have a thorough understanding of the Group's business, operations and activities.
- 14.2 The Group may hold one-on-one or group briefings with institutional investors and stockbroking analysts. At these briefings, the Group may give background and technical information to help institutional investors and stockbroking analysts better understand its business operations and activities.
- 14.3 For the purposes of this policy, a one-on-one or group meeting includes any communication between the Group and an institutional investor(s) or a stockbroking analyst(s).
- 14.4 Price-sensitive information that has not been released to the market must not be disclosed at one-on-one or group briefings.
- 14.5 File notes must be made of all one-on-one or group briefings and kept for a reasonable period.
- 14.6 If an employee participating in a one-on-one or group briefing thinks that something has been raised that might be price-sensitive information that has not been publicly released, he or she must immediately inform the Disclosure Officer or the CEO (if the Disclosure Officer is unavailable).
- 14.7 Before any series of analysts or similar type briefings, the Group will inform the market about briefings through ASX.

15. Presentational and briefing materials

Any presentational or briefing materials for open or one-on-one briefings must be given to the Disclosure Officer before the briefing to determine if they contain any price-sensitive information that has not been released to the market.

16. 'Blackout' periods

To protect against inadvertent disclosure of price-sensitive information, the Group will not hold one-on-one and open briefings (except to deal with matters subject to an announcement through the ASX) between:

- (a) the end of its financial reporting periods and the announcement of results to the market; and

- (b) sending notice of an annual general meeting to shareholders and the holding of the meeting.

17. Review of reports by analysts

- 17.1 The Group is not responsible for, and does not endorse, reports by analysts commenting on the Group.
- 17.2 The Group does not incorporate reports of analysts in its corporate information, including its website (this also extends to hyperlinks to websites of analysts).
- 17.3 If an analyst sends a draft report to the Group for comment:
 - (a) employees must immediately send it to the Disclosure officer;
 - (b) any response to it will not include price-sensitive information that has not been disclosed to the market;
 - (c) it will only be reviewed to correct factual inaccuracies on historical matters; and
 - (d) no comment will be made on any profit forecasts contained in it.
- 17.4 Any correction of a factual inaccuracy does not imply that the Group endorses a report.
- 17.5 A standard disclaimer will be made in any response to an analyst.

18. Chat Rooms

Neither the Group's Directors nor the Group's employees may participate in chat room discussions on the internet where the subject matter relates to the Group.

19. Informing employees

- 19.1 This policy or a summary of it will be distributed to employees to help them understand the Group's continuous disclosure obligations, their individual reporting responsibilities and the need to keep the Group's information confidential.
- 19.2 The Group's share trading policy will also be distributed to the employees. That policy also relates to the treatment of price-sensitive information.

20. Policy breaches

If an employee breaches this policy, he or she may face disciplinary action, including dismissal in serious cases.

21. Questions

Any questions about the Group's continuous disclosure obligations or this policy should be referred to the Disclosure Officer.