



AJ LUCAS GROUP LIMITED

**CONTINUOUS DISCLOSURE &
COMMUNICATIONS POLICY**

Introduction

The Directors of a publicly listed corporation such as AJ Lucas Group Limited (**AJL**) have substantial responsibilities to shareholders, employees, the financial community and, in some circumstances, the creditors of a corporation. Corporations are also increasingly held accountable as to whether they are being socially and environmentally responsible. Directors have the principal responsibility of ensuring that the corporations of which they are directors adhere to these standards and satisfy their obligations to among other things always act honestly and exercise reasonable care and diligence in the performance of their functions.

Background

As a company listed on the Australian Securities Exchange (**ASX**), AJL is required, under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and the ASX Listing Rules (**Listing Rules**) to keep the market informed of any information concerning AJL or the AJL group of companies that it becomes aware of and which a reasonable person would expect to have a material effect on the value of AJL securities.

Commitment to market disclosure

AJL is committed to:

- a) complying with the disclosure principles of the Corporations Act and the Listing Rules;
- b) ensuring that the market is fully informed with information necessary to make investment decisions;
- c) putting in place measures that prevent the inadvertent or incomplete release of information;
- d) putting in place protocols to ensure that AJL adheres to “best practice” in relation to its disclosure obligations.

What information must be disclosed and when must that information be disclosed?

The Listing Rules require that AJL disclose information immediately to the ASX if:

- a) a director or executive officer becomes aware of information; and
- b) a reasonable person would expect that information to have a material effect on the price or value of AJL’s securities subject to the specified exemptions reproduced below.

Information is not required to be disclosed if all of the following are satisfied:

- a) a reasonable person would not expect that information to be disclosed;
- b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- c) one or more of the following applies:
 - i. it would be a breach of 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 the internal management purposes of AJL; or
- v. the information is a trade secret.

Who is the Disclosure Officer?

The board of AJL has appointed the Company Secretary, and in the Company Secretary's absence, the Chief Executive Officer to be AJL's Disclosure Officer.

Responsibilities of the Disclosure Officer

The Disclosure Officer is responsible for:

- a) monitoring AJL's compliance with its disclosure obligations;
- b) ensuring that staff are educated in AJL's disclosure obligations and their requirements under this policy;
- c) ensuring that employees have knowledge in dealing with communications from the media;
- d) ensuring that information placed on AJL's website is correct and current;
- e) monitoring market speculation; and
- f) coordinating the disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public.

The Disclosure Officer may, with the consent of the Chief Executive Officer or Chairperson appoint another person to assist them with their duties however the Disclosure Officer is ultimately accountable to the board for the actions of any appointed person.

The Disclosure Officer will report to the Board in relation to disclosure decisions made.

Process for Dealing with Information

On becoming aware of any information that is:

- (a) material information; and
- (b) not generally available (i.e. the information in question has not been included in any Annual Report, ASX announcement or other AJL release or publication),

AJL Directors and employees (**Company Personnel**) must provide the Company Secretary with as much detail about the matter or information as is reasonable in the circumstances and a brief description of why the information does or may have a material effect on the price or value of AJL's securities. This information must be provided to the Company Secretary immediately upon Company Personnel becoming aware of the information.

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In ASX Guidance Note 8, ASX has provided the following guidance as to when information should be disclosed. If you answer either of the following questions “Yes”, then you should disclose the information:

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

A list of matters that may be considered material is set out in Schedule 1. This list is indicative and is not an exhaustive list of the matters that should be considered for disclosure.

If you are unsure whether specific information is ‘market sensitive’, you must immediately disclose full details of the information to the Company Secretary.

Company Personnel should also inform the Company Secretary if they consider, or are aware of, any prior disclosure to the ASX which is inaccurate or incomplete.

Even though an exception to disclosure might apply, this does not qualify or change the obligation on Company Personnel to communicate or report material information under this Policy. All Company Personnel must maintain and keep all material information strictly confidential until it is released to ASX and becomes generally available.

The Company Secretary will, in relation to any information notified under this Policy::

- a) determine whether the information requires disclosure under the general disclosure obligation in ASX Listing Rule 3.1 and if any exception in ASX Listing Rule 3.1A applies.
- b) In making this determination, the Company Secretary will consult, as the Company Secretary considers necessary, with members of the Board, senior management and/or any external advisers selected by the Company Secretary.
- c) If the Company Secretary determines that disclosure is required, the Disclosure Committee must:
 - i. unless the information is both material and strategically important for AJL:
 - (A) review and approve the form and content of the proposed external announcement for release to ASX; and
 - (B) release, or authorise the release of the announcement to ASX; or
 - ii. if the information is both material and strategically important for AJL:
 - (A) take all steps necessary to convene a Board meeting as soon as practicable to consider and approve the announcement; and
 - (B) take such other steps as the Company Secretary determines are necessary to comply with AJL's continuous disclosure obligations (including, if necessary, requesting a trading halt or voluntary suspension until the Board is able to meet and an announcement released).

The Board is responsible for approving announcements that contain information that is both material and strategically important for AJL. This may include relating to the following matters, unless in any particular case it has resolved otherwise:

- a) takeovers, mergers, acquisitions and disposals, schemes of arrangement and all other transactions involving a transfer of control, in each case being material in the context of AJL;
- b) share buybacks and capital reductions concerning AJL's securities;
- c) demergers and restructures, being material in the context of AJL;
- d) equity capital raisings;
- e) market updates, including any earnings guidance;
- f) annual and half-year financial results, including ASX releases, investor presentations and investor materials accompanying the release of annual and half-year financial results;
- g) dividend policy and dividend determinations/declarations concerning AJL;
- h) any material matter where directors make a recommendation to AJL's shareholders; and
- i) any other matter that the Board determines to be a major matter affecting AJL.

Responsibilities of directors and the board

The directors and board are primarily responsible for ensuring that AJL complies with its disclosure obligations. Although the board has delegated day-to-day the responsibility for monitoring AJL's compliance to the Disclosure Officer it is still the responsibility of the Board to ensure that AJL complies with applicable legislation.

While the disclosure obligations are with AJL being the listed entity, information may be generated from AJL's subsidiaries that require disclosure. The directors of each subsidiary of AJL must ensure that the Disclosure Officer is made aware of any information relating to the subsidiary that requires or may require disclosure.

Responsibilities of employees

While AJL's employees may not be exposed to information that would require disclosure on a daily basis or have the responsibility of directors and Disclosure Officers, all employees should take responsibility to assist AJL to comply with its continuous disclosure obligations.

If, in the course of their employment, an employee is of the view that they are in possession of information which should be disclosed to the market this information must be reported to their immediate supervisor or manager who will notify the Disclosure Officer.

Who decides whether information needs to be released?

It is the primary responsibility of the Disclosure Officer to decide whether information which has come to the Disclosure Officer's attention either by internal notification or otherwise, should be disclosed to the market. If the matter is determined to be of a serious nature, the Disclosure Officer should consult with the Chief Executive Officer and Chairman and if needed seek formal legal advice.

Disclosing Information

Information that is required to be disclosed by the Corporations Act and the Listing Rules must be disclosed to the market first by electronic lodgement with the ASX. This information should be disclosed as soon as possible after the Disclosure Officer is notified or it becomes information that is required to be disclosed.

Only the Disclosure Officer is authorised to disclose information that is required under the Corporations Act and/or Listing Rules to first be disclosed to the market.

AJL must not publicly release information that is required to be disclosed through the ASX until that information has been released to the market by the ASX.

As soon as possible after the information has been released to the market by ASX, AJL will:

- a) release the information to news services and media outlets; and
- b) make the information available on its website.

Spreading false and misleading information

Part of ensuring that the market is fully informed is preventing the circulation of false and misleading information.

It is an offence for an officer or an employee of a corporation to provide to various parties any information relating to the affairs of that corporation that is materially false or misleading.

If you are disclosing information whether that is information that is required to be disclosed first to the market under the Corporations Act and/or Listing Rules or information that you disclose at a briefing or the like, you must take reasonable steps to ensure that the information is not materially false or misleading.

While it is the policy of AJL to avoid commenting on rumours, in some cases the presence of false and misleading information in the market relating to AJL may result in a false market for the trading of AJL securities.

It is the responsibility of the Disclosure Officer to monitor the market to ascertain whether there are any rumours or speculations relating to AJL that may affect the value or perceived value of AJL's securities. If the Disclosure Officer forms the view that the failure to issue a statement at that time is likely to cause AJL to breach its disclosure obligations, the Disclosure Officer must report this fact to the Chief Executive Officer or the Chairperson and the Disclosure Officer and the Chief Executive Officer or Chairperson must cause a statement to be made. Where the ASX requests information from the Company, the information will be provided immediately by the Disclosure Officer if so appropriate.

Unsolicited enquiries from the media, investors and analysts

From time to time the media, investors or analysts may make unsolicited enquiries of employees for information relating to AJL or its subsidiaries. In any such conversation employees must:

- a) say that they are not authorised to speak on behalf of AJL;
- b) refer the inquiry to the Disclosure Officer.

External comments to Media, Investors or Analysts

From time to time it may be necessary for AJL to conduct analyst and investor briefings or interviews with the media.

These briefing or interviews are not the appropriate forum for disclosing information that is required to be disclosed by the Corporations Act or the Listing Rules.

Only the following persons are authorised to speak to the media, investors or analysts or the media on behalf of AJL:

- a) the Chairperson;
- b) the Chief Executive Officer; and
- c) the Disclosure Officer.

(the Authorised persons)

Authorised Persons may not disclose, at these briefings any information that is required by the Corporations Act and/or the Listing Rules to first be disclosed the market.

The Authorised Persons are to have the sole responsibility of communicating with the media however the Chief Executive Officer may, at any time, authorise another person to speak on behalf of AJL. The following protocols will apply to any such briefings or interviews:

- a) where possible statements made by any representative of the AJL should be approved by the Disclosure Officer prior to the giving of that communication;
- b) no material information must be disclosed unless it has been previously released to the ASX;
- c) if information relating to a price sensitive matter has been inadvertently released during a briefing or interview it will be immediately released to the ASX and placed on the AJL website;
- d) questions at briefing or interviews that deal with information relating to a price sensitive matter not previously disclosed will not be answered; and
- e) if a member of staff in attendance at the briefing or interview considers that a matter has been raised that might constitute a previously undisclosed price sensitive matter they must immediately notify the Chief Executive Officer and the Disclosure Officer.

To the extent possible, transcripts and presentation material of communications with the media, analysts or investors will be forwarded to the ASX for release to the market and placed on AJL's website.

Review of communications to Media, Investors or Analysts

Following any communication made by a representative of AJL to the media, investors or analysts, the Disclosure Officer will review that communication to ensure that no information has been released that might constitute a previously undisclosed material price sensitive matter and for which an ASX announcement needs to be made.

The Disclosure Officer is also responsible for ensuring that a record of briefings and matters addressed is kept including those present and the time, place and subject matter of the meeting.

Use of technology to aid disclosure

AJL encourages the use of technology to promote disclosure. Where possible, particularly in the case of profit announcements, advance notification of briefings should be arranged and the internet should be used to make these briefings open and accessible. However, personnel should not make confidential information or market sensitive information available on any social media platform without the prior approval from the Disclosure officer.

Trading halts

The Disclosure Officer may, in exceptional circumstances, request a trading halt, or a voluntary suspension if so appropriate, in order to prevent the trading of the AJL's securities in a false market.

Situations where the Disclosure Officer may request a trading halt include:

- a) where the media have made comments about AJL sufficiently specific and detailed to warrant a response, but AJL is not able to make the response immediately;
- b) where there is a danger of a false market in the trading of AJL's securities and AJL requires time to investigate or is otherwise not able to respond immediately; and
- c) where the ASX queries a change in the price or trading pattern of AJL's securities and AJL cannot reply in the time required.

Prior to requesting the trading halt, the Disclosure Officer must obtain the consent of the Chief Executive Officer or Chairperson.

Other communications

AJL endeavours to ensure that its shareholders are fully informed as to the running of their company

AJL maintains on its website an investor section, to which all annual reports, financial results and other ASX market releases are posted. This section also contains electronic copies of AJL's policies and charters.

AJL also encourages shareholders to participate at AJL's annual general meeting to ensure that there is a high level of accountability and understanding of the Group's strategy and goals. Shareholders are given the opportunity to vote on important issues and also to ask questions of the board and AJL's auditor who will make himself or herself available to attend the meeting.

Breaches of policy

Breach of this Policy may be regarded as misconduct, which may lead to disciplinary action (including termination of employment or engagement). Any person who becomes aware of a potential breach of this Policy should immediately report the breach to the Disclosure Officer.

Schedule 1

Materiality Guidelines and Key Terms

AJL must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by AJL (this is known as 'material information').

1 Material information

Set out below is a non-exhaustive indicative list of matters that may give rise to an obligation to make disclosure to the market. Any information which may be material must be notified to the Company Secretary so that a determination can be made (in accordance with this Policy) whether disclosure is required.

Matters which may require disclosure, if material, include:

- a) the financial condition, results of operations, AJL issued forecasts and earning performance of AJL or a controlled entity, which are significantly different from that anticipated by AJL or the market;
- b) acquisitions or disposals of material assets by AJL and the entities it controls;
- c) significant events or occurrences that may have a material impact on the operations of AJL or the entities it controls;
- d) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by AJL or the entities it controls;
- e) an agreement between AJL (or a related party or subsidiary) and a Director (or a related party of the Director);
- f) changes in AJL's senior management or auditors; and
- g) a significant financing or security issue (whether debt or equity) or other action with respect to outstanding securities (such as a share repurchase plan or redemption of bonds) or any default on any securities.

2 Key terms

2.1 Material effect

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 or buy or sell the securities.

In forming a view as to whether a reasonable person would consider such information to be material, AJL's previous disclosure to the market should be considered (eg, information previously released to the market such as profit expectations, commentary on projected results, or detailed business plans or strategies).

2.2 Information that is generally available

In general, the disclosure obligation will not apply where the information is generally available. However, the impact of information that is generally available on AJL may be such that it is likely to

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have a material effect on the price or value of AJL's securities. If the information that is generally available is likely to have a material impact on AJL as distinct from other entities in the market or in the sector that AJL operates in, the disclosure obligation will apply and the impact or effect must be disclosed.

Information is usually considered to be generally available if:

- a) it consists of a readily observable matter, or
- b) 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 AJL and a reasonable period for it to be disseminated among such persons has elapsed, or
- c) it consists of deductions, conclusions or inferences made or drawn from other information that is generally available.

For example, information will be generally available if it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the public and a reasonable time has elapsed after the information has been disseminated in one of these ways.