



# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY

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## 1 Introduction

Iluka Resources Limited (**Iluka or Company**) must comply with the continuous disclosure obligations contained in the listing rules (**Listing Rules**) of the Australian Securities Exchange (**ASX**) and the *Corporations Act 2001* (**Corporations Act**).

In addition to complying with its legal obligations regarding continuous disclosure, the Company also seeks to comply with:

- the best practice guidelines for disclosure set out in the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council; and
- the guidance in Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 62 “Better disclosure for investors”.

### 1.1 Commitment to continuous disclosure

Iluka is committed to:

- ensuring that shareholders and the market are provided with full, timely and balanced disclosure of material information about Iluka’s activities;
- complying with the periodic reporting and continuous disclosure requirements contained in the Listing Rules and the Corporations Act; and
- preventing the selective or inadvertent disclosure of market sensitive information.

### 1.2 Purpose of the Policy

The purpose of this Policy is to:

- record and communicate Iluka’s commitment to continuous disclosure; and
- outline the processes followed by Iluka to ensure that information which may be market sensitive and which may require disclosure under Listing Rule 3.1:
- is brought to the attention of Disclosure Officers and the Managing Director;
- is promptly assessed to determine whether it requires disclosure under Listing Rule 3.1; and
- if the information does require disclosure, is promptly given to the ASX.

### 1.3 Application of the Policy

This Policy applies to:

- the Directors and employees of the Company and its subsidiaries; and
- all persons working for the Company and its subsidiaries under a contract or consultancy agreement.

## 1.4 Review of the Policy

The Board will periodically review this Policy to ensure it remains effective in ensuring full, timely and balanced disclosure in accordance with Iluka's disclosure obligations.

## 2 Continuous Disclosure

### 2.1 ASX continuous disclosure obligations

Under Listing Rule 3.1, Iluka must notify the ASX immediately it becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities. Such information is known as "market sensitive information".

Iluka must not release market sensitive information to any other party until it has been disclosed to the ASX and the ASX has acknowledged receipt and confirmed that the information has been released to the market (Listing Rule 15.7).

### 2.2 Exception to disclosure of market sensitive information

All potentially market sensitive information must immediately be brought to the attention of a Disclosure Officer for consideration as to its materiality and potential market disclosure ramifications.

However, not all material information will be disclosed because Iluka is not required to disclose market sensitive information where each of the following requirements is satisfied:

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

As soon as one of the exceptions is no longer satisfied, the market sensitive information must be disclosed. For example, if information which is confidential is inadvertently released and can no longer be considered confidential, or if the ASX takes the view that the information is no longer confidential, Iluka must disclose that information to the ASX.

In addition, the exceptions do not apply where, under Listing Rule 3.1B, the ASX requires Iluka to disclose relevant information for the purpose of correcting or preventing a false market (refer to Section 2.13(c) of the Policy).

## **2.3 Maintaining confidentiality**

The Company has in place important policies and procedures to ensure that the confidentiality of market sensitive information is maintained until such time as it is required to be announced to the market. Those policies and procedures include:

- adoption of the “need to know” principle;
- physical document management and information barriers;
- information technology controls;
- inclusion of confidentiality provisions in employment and consultancy agreements; and
- staff training.

Where the Company is relying on the confidentiality of market sensitive information for the purposes of non-disclosure under Listing Rule 3.1A, it monitors:

- the market price of its securities and of the securities of any other listed entity involved in the matter;
- major national and local newspapers;
- if it or its advisers have access to them, major news wire services such as Reuters and Bloomberg;
- any investor blogs, chat-sites or other social media it is aware of where comments about the Company are regularly posted; and
- enquiries from analysts or journalists,

for signs that information about the matter may no longer be confidential.

## **2.4 When is Iluka aware of information?**

The continuous disclosure obligations apply not only to information that Iluka actually becomes aware of but extends to information which the Directors and other officers of Iluka ought reasonably to be aware of in the normal course of performing their duties as Directors and officers (Listing Rule 19.12).

Market sensitive information must be disclosed to the ASX immediately upon the Company becoming aware of the information, unless it falls within the carve-outs from disclosure in Listing Rule 3.1A (refer to Section 2.2 above).

The word “immediately” in the context of the Company’s continuous disclosure obligations means “promptly and without delay”.

## 2.5 Use of trading halts

Where circumstances are such that the Company cannot immediately release information that must be disclosed, the Company will request a trading halt to ensure that trading in the Company’s securities does not occur on an uninformed basis.

The Disclosure Officers, with the approval of the Managing Director, are responsible for all decisions in relation to trading halts and the procedure for decision making set out in Section 2.10 will apply.

**Rapid Response Process:** If the Managing Director is unavailable to determine whether to approve an urgent trading halt request, the Company Secretary, or in their absence, the Chief Financial Officer may authorise the request.

## 2.6 Information required to be disclosed

Listing Rule 3.1 requires Iluka to disclose information “concerning it” that “a reasonable person would expect to have a material effect on the price or value of the entity’s securities”, i.e. market sensitive information.

Listing Rule 3.1 gives the following examples of the types of information that could be market sensitive for a listed company:

- a transaction that will lead to a significant change in the nature or scale of the entity’s activities;
- a material mineral or hydrocarbon discovery;
- a material acquisition or disposal;
- the granting or withdrawal of a material licence;
- the entry into, variation or termination of a material agreement;
- becoming a plaintiff or defendant in a material law suit;
- the fact that the entity’s earnings will be materially different from market expectations;
- the appointment of a liquidator, administrator or receiver;
- the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;

- under-subscriptions or over-subscriptions to an issue of securities (a proposed issue of securities is separately notifiable to the ASX under Listing Rule 3.10.3);
- giving or receiving a notice of intention to make a takeover; and
- any rating applied by a rating agency to an entity or its securities and any change to such a rating.

This list is not exhaustive and there are many other examples of information that potentially could be market sensitive.

For these purposes, “information” extends beyond pure matters of fact and includes matters of opinion and intention. It is not limited to information that is generated by, or sourced from within, Iluka. Nor is it limited to information that is financial in character or that is measurable in financial terms. Under Listing Rule 3.1, Iluka must disclose all information “concerning it” that it becomes aware of from any source and of any character, if a reasonable person would expect the information to have a material effect on the price or value of its securities.

## **2.7 Materiality**

The test for determining whether information is market sensitive and needs to be disclosed under Listing Rule 3.1 is set out in section 677 of the Corporations Act. In accordance with section 677, a reasonable person is taken to expect information to have a material effect on the price or value of any of the Company’s securities if the information “would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of” those securities.

A useful test in determining whether information may be market sensitive is to ask the following questions:

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

If the answer to either question is “yes”, then that should be taken to be a cautionary indication that the information may well be market sensitive and require disclosure to the ASX under Listing Rule 3.1.

Even where a person is not sure whether particular information is market sensitive, they should immediately report this information to the head of their business unit or department who will, in turn, report this information to a Disclosure Officer.



## 2.8 Reporting potentially market sensitive information

Operating business unit or department heads must ensure that any information that could be market sensitive information is reported to them immediately for on-forwarding to a Disclosure Officer in accordance with this Policy.

The Disclosure Officers will determine whether the information reported to them by management is market sensitive and whether the disclosure exception applies. Accordingly, the Company's policy is for all potentially market sensitive information to be reported to a Disclosure Officer even where the reporting person is of the view that it is not in fact market sensitive or 'material'. The person's view on market sensitivity and materiality can (and should) be shared with the relevant Disclosure Officer but will not be determinative.

A similar reporting obligation also arises where a Non-executive Director (in their capacity as a Director of the Company) becomes aware of information that should be considered for release to the market.

## 2.9 The Disclosure Officers

The Chief Financial Officer, Company Secretary and General Manager Investor Relations and Corporate Affairs have been appointed as the Disclosure Officers. The Disclosure Officers are responsible for ensuring there is an adequate system in place for receiving and considering any potentially market sensitive information which is reported to them, and advising the Managing Director in relation to the disclosure of that information to ASX where necessary.

Where potentially market sensitive information is reported to a Disclosure Officer, that Disclosure Officer shall report to, and promptly consider the information with, the other Disclosure Officers.

## 2.10 Timely disclosure

In order to ensure Iluka meets its obligations of timely disclosure of information that may affect the price or value of the Company's securities or influence investment decisions, Iluka employs the following practices:

- (a) All persons responsible for relevant areas of the Company's operations must immediately report to a Disclosure Officer any information which may be market sensitive, including information where the person is unsure as to the materiality of the information. The information reported to the relevant Disclosure Officer should include:
  - (i) a general description of the matter or information;
  - (ii) details of the parties involved;
  - (iii) the relevant date of the event or transaction giving rise to the information;



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- (iv) the status of the matter;
  - (v) the estimated value of the transaction or event giving rise to the information;
  - (vi) the estimated effect on the Company's finances, operations or reputation; and
  - (vii) if relevant, the names of any in-house or external advisers assisting in the matter.
- (b) Where any information is reported (as referred to above), the available Disclosure Officers, together, will (as appropriate):
- (i) review the information and consult with each other in relation to its market sensitivity and materiality;
  - (ii) urgently seek any advice that is needed to interpret the information (recognising that disclosure of the information may not be able to be delayed if it is clearly market sensitive on its face);
  - (iii) determine whether any of the information is required to be disclosed to the ASX and form a recommendation for the Managing Director regarding disclosure;
  - (iv) consider whether it is necessary to seek a trading halt to facilitate an orderly, fair and informed market in the Company's securities;
  - (v) coordinate the actual form of disclosure with the relevant members of management; and
  - (vi) consult with and seek the approval of the Managing Director to disclose the information (except in relation to the matters set out in section 2.11 which require Board approval).
- (c) **Rapid Response Process:** If the Managing Director is unavailable to determine whether to disclose relevant information, the Chairman of the Board may authorise the disclosure.
- (d) Once approved for release, the Company Secretary shall immediately notify the ASX of the information concerning the Company.
- (i) All information disclosed to the ASX shall be promptly placed on Iluka's website following receipt of confirmation from the ASX ([www.iluka.com](http://www.iluka.com)).
  - (ii) Where information reported to a Disclosure Officer is or is likely to become market sensitive but is not presently disclosable (for example, it is within the exception in Listing Rule 3.1A), the Disclosure Officers will oversee the preparation of an appropriate draft announcement to facilitate immediate disclosure of the information if it later becomes disclosable (for example, as a result of confidentiality being lost through a 'leak').

- (e) If at any time an officer of Iluka has any queries in respect of the Company's continuous disclosure obligations, they must contact the Company Secretary (or in their absence, another Disclosure Officer) for clarification.

## 2.11 Role of the Board

The usual procedure for making disclosures under Listing Rule 3.1 is through the Disclosure Officers and the Managing Director as outlined above.

Board approval and input will only be required in respect of matters that are within the reserved powers of the Board (and responsibility for which has not been delegated to management) or matters that are otherwise of fundamental significance to the Company. Such matters include:

- significant profit upgrades or downgrades;
- dividend policy, guidance or declarations;
- company-transforming transactions or events; and
- any other matters that are determined by the Managing Director, Disclosure Officers or the Chairman of the Board to be of fundamental significance to the Company.

No other announcement should be referred to the Board for approval.

**Rapid Response Process:** In the event that an announcement that would ordinarily require Board approval must immediately be disclosed to the market in order for Iluka to comply with its continuous disclosure obligations, all reasonable effort must be made to have the announcement urgently considered and approved by the Board prior to release. However, if such approval cannot be obtained, the Managing Director and the Chief Financial Officer (or such other senior executives nominated from time to time as their alternates) may authorise disclosure to ensure compliance with continuous disclosure laws. The announcement must then be considered by the Board at the first possible opportunity following its release to determine what, if any, further steps need to be taken by the Company.

## 2.12 Disclosure of information to the market

Iluka has established policies and procedures to ensure that the widest audience of investors has access to information given to the ASX for market release. These procedures include, but are not limited to:

- regular senior management meeting agenda items to identify issues requiring disclosure;
- release of quarterly sales and production reports;
- regular media releases of important Company matters, including information that may go beyond that requiring disclosure under the continuous disclosure regime; and

- ensuring the Company Secretary is made aware of all disclosures in a timely manner in order to minimise the risk of continuous disclosure breaches.

## 2.13 Market speculation and rumours

Market speculation and rumours, whether substantiated or not, have the potential to adversely impact Iluka.

Iluka's general policy is to respond by advising that "Iluka does not respond to market rumours or speculation". However, it may be necessary to issue a statement in specific circumstances where:

- (a) Iluka considers it has an obligation to make a statement on a particular matter;
- (b) there is, or is likely to be, a material change in the market price or traded volumes of the Company's securities that appears to be referable to the comment or speculation and a statement in response has not previously been made; or
- (c) in response to a formal requirement of the ASX in accordance with Listing Rule 3.1B where ASX considers that there is or is likely to be a false market in the Company's securities. The ASX is more likely to consider that there is or is likely to be a false market in the Company's securities if:
  - (i) a report / rumour appears to include reasonably specific details about a matter or quotes or is attributed to sources who might be knowledgeable about the matter; and
  - (ii) there has been a material change in the market price or traded volumes of the Company's securities or, if the market is not currently trading, in the opinion of ASX there is likely to be when trading commences,

than in cases where that is not so.

## 2.14 Monitoring of media

The Company monitors:

- (a) media reports about the Company;
- (b) media reports about significant drivers of the Company's business; and
- (c) the Company's security price movements.

The Company also monitors social media as part of its efforts to avoid the emergence of a false market in the Company's securities. In addition, the Company monitors social media in the following specific circumstances:

- (a) when a market sensitive announcement is pending; or

- (b) when the Company is close to finalising a market sensitive transaction.

Monitoring of social media in these circumstances will include review of investor blogs, chat sites and other social media known to regularly include postings about the Company.

## **3 Market Communication**

### **3.1 Market communication policy**

Iluka is committed to providing accurate information to all shareholders and market participants and follows a yearly program of regular disclosures to the market on its financial and operational results. This is complemented by disclosures during the year as events occur outside the Company's financial calendar.

Iluka's senior management interacts regularly with the market through results briefings, ASX announcements, investor briefings, meetings and educational sessions. In addition, Iluka provides background and technical information to institutional investors and analysts in support of major announcements and presentations lodged with the ASX.

All contact with external parties is on the basis that market sensitive information will not be discussed unless that particular information has been formally disclosed to the market via an ASX announcement.

The only Iluka employees authorised to speak on behalf of the Company to institutional investors/analysts and financial media are:

- Chairman;
- Managing Director;
- Chief Financial Officer;
- General Manager, Investor Relations and Corporate Affairs; or
- Directors or senior managers nominated for a specific event, purpose or issue.

### **3.2 Release of briefing materials**

Any written materials containing new and substantive information to be used in briefing media, institutional investors and analysts are lodged with the ASX prior to the briefing commencing. Upon confirmation of receipt by the ASX, the briefing material is posted to Iluka's web site. Media releases, quarterly sales and production reports, and AGM speeches are also lodged with the ASX and upon confirmation of release by the ASX, these are posted to Iluka's website.

### **3.3 Communication with the market prior to the release of results**

Iluka's continuous disclosure obligations apply at all times of the year. However, Iluka recognises that in the periods between the end of the financial reporting periods (30 June and 31 December) and the announcement of results to the market (**Results Periods**), meeting or having contact with the investment community may give rise to an inference of unfair dealing by the Company. To avoid such an inference, the following arrangements apply during the Results Periods:

- all requests from the investment community to meet or make contact with the Company must be referred to a Disclosure Officer;
- the Disclosure Officers will, together, determine whether, and on what basis, the meeting or contact will proceed; and
- if the meeting or contact proceeds, the Company representative will advise the participants that the Company will be releasing its results shortly and, for this reason, the Company will not discuss its expected financial results beyond what has already been disclosed to the ASX.

### **3.4 Briefings of institutional investors, analysts and media**

Iluka hosts briefings for institutional investors, analysts and media to discuss information already released to the market via the ASX. In hosting briefings Iluka's policy is to not disclose or discuss market sensitive information unless it has already been released to the market via the ASX.

Where a question raised in a briefing can only be answered by disclosing market sensitive information, Iluka will decline to answer it or will take it on notice and wait until the information has been released to the market via the ASX prior to responding.

### **3.5 One-on-one briefings of institutional investors and analysts**

Iluka hosts one-on-one briefings for institutional investors and analysts to discuss information already released to the market via the ASX and provide background and technical information to assist analysts and institutions in their understanding of its business.

In hosting one-on-one briefings, Iluka's policy is to not disclose or discuss market sensitive information unless it has already been released to the market via the ASX.

### **3.6 Review of briefings, meetings, and presentations**

Immediately following any briefings, meetings, or presentations, the Chief Financial Officer (or, in their absence, the senior executive involved) will review the matters discussed and presented (including any questions and answers provided).

Where they believe any information that has not been previously disclosed to the market has been disclosed inadvertently and the information may have a material effect on the price or value of the Company's securities, they must immediately report the matter to the other Disclosure Officers for consideration.

### **3.7 Review of analyst reports and profit forecasts**

Iluka acknowledges the important role performed by analysts in disseminating information on the Company's business to the financial markets.

In reviewing the content of these reports, Iluka may correct errors in factual information and underlying assumptions. Iluka will not, however, provide market sensitive information or earnings forecast guidance unless it has already been disclosed to the market via the ASX and the Company's website.

The Chief Financial Officer (or their delegate) will maintain a record of analysts' earnings forecasts. The Chief Financial Officer (or their delegate) will monitor a range of analysts' forecast earnings relative to the Company's internal forecasts and any forecasts previously published by the Company. If the Chief Financial Officer (or their delegate) becomes aware of a divergence between the 'consensus' of the analysts' forecasts and management's own expectations that may have a material effect on the price or value of the Company's securities, the Chief Financial Officer (or their delegate) will immediately refer the matter to the other Disclosure Officers for consideration.

## **4 General**

### **4.1 Accountabilities and responsibilities**

The Disclosure Officers are responsible for applying this Policy and ensuring that it is communicated throughout the Company.

The Company Secretary is responsible for monitoring compliance with the Company's disclosure obligations, managing all communications with ASIC and the ASX regarding continuous disclosure matters, and for administering this Policy.

The General Manager, Investor Relations and Corporate Affairs is responsible for:

- (a) monitoring the media and other sources to confirm the confidentiality of market sensitive information is maintained prior to its release to the market; and
- (b) monitoring social media in the particular circumstances described in Section 2.14 of this Policy.

If the General Manager, Investor Relations and Corporate Affairs (or their delegate) identifies unusual or unexpected media reports or price movements, they must determine whether the circumstances should be reviewed by the Disclosure Officers.

## **4.2 Internal communication of policy and practices**

A copy of this Policy has been provided to all Directors and senior officers within Iluka, and is available on the Company's website and internal intranet.

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