

19 June 2013

Ms Jill Hewitt  
Senior Adviser Listings  
ASX Compliance  
Level 8, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Ms Hewitt,

**Revised Continuous Disclosure and Market Communications Policy**

In response to the recently released ASX Listing Rules Guidance Note 8 "Continuous Disclosure: Listing Rules 3.1 – 3.1B", Iluka Resources Limited ("Iluka") advises and submits its revised Continuous Disclosure and Market Communications Policy.

Yours faithfully,



**Cameron Wilson**  
**Company Secretary**

For personal use only



# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY

# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



## 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**).

In addition to complying with its legal obligations to give 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 requirements of 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 and timely 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 the Disclosure Committee;
  - 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.

For personal use only

# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



## 1.4 Review of the Policy

The Board will periodically review this Policy to ensure it remains effective in ensuring accurate and timely 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

Pursuant to Listing Rule 3.1A, Iluka may elect not 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 the entity; or
  - (v) the information is a trade secret;
- (b) the information is 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.

# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



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 Section 2.11(c) of the Policy).

## **2.3 Maintaining confidentiality**

The Company adopts policies and procedures to ensure that the confidentiality of market sensitive information is maintained until such time as it 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;
- maintenance of “insider lists” when conducting market sensitive transactions;
- 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 executive officers of Iluka ought reasonably to be aware of in the normal course of performing their duties as directors and executive officers (Listing Rule 19.12).

# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



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 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.

## **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 type 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.

# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



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 such 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, if it does not fall within the carve-outs to immediate disclosure in Listing Rule 3.1A (refer Section 2.2 above), may need to be disclosed to the ASX under Listing Rule 3.1.

If any person to whom this Policy applies is not sure whether information is market sensitive, they should immediately seek guidance from the Company Secretary or, in his/her absence, either the Chief Financial Officer or the General Manager, Investor Relations.

## **2.8 Disclosure Committee**

Iluka has established a Disclosure Committee comprised of the Company Secretary, the Chief Financial Officer and the General Manager, Investor Relations. The Committee reports to the Managing Director. The Committee’s responsibilities include:

# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



- reviewing information, including consulting with Iluka management, personnel and external advisers to determine if disclosure is required;
- ensuring the Managing Director is advised of and approves all information to be disclosed to the market; and
- ensuring that the Board is kept fully informed of the Disclosure Committee's determinations and all information subsequently disclosed to the market.

When appropriate, the Managing Director will consult with the Chairman when determining whether particular information is to be disclosed.

Matters on which the Chairman will be consulted include (but are not limited to) forward looking statements and profit forecasts.

All continuous disclosure announcements are emailed to the Company's directors and senior executives immediately after they have been released to the ASX.

The Company Secretary is the convenor of the Disclosure Committee and has primary responsibility for the administration of this Policy. The Company Secretary's responsibilities include monitoring compliance with Iluka's disclosure obligations and managing all communications with the ASX.

## **2.9 Timely disclosure**

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

- (a) All officers responsible for relevant areas of the Company's operations must report to the Company Secretary (or in his absence, either the Chief Financial Officer or the General Manager, Investor Relations) any information which may be market sensitive, including information where the officer is unsure as to the materiality of the information.
- (b) The information should be immediately brought to the attention of the Disclosure Committee and 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;
  - (iv) the status of the matter;
  - (v) the estimated value of the transaction or event giving rise to the information;



# CONTINUOUS DISCLOSURE AND MARKET COMMUNICATIONS POLICY



- (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.
- (c) The Disclosure Committee shall assess the information and determine whether, in its opinion, it is market sensitive.
- (d) Where the Disclosure Committee determines that the information is market sensitive, it will then consider whether or not it is required to be disclosed by reference to the exceptions in Listing Rule 3.1A.
- (e) Where the Disclosure Committee determines that the information should be disclosed, the Disclosure Committee shall consult with and seek the approval of the Managing Director or in his/her absence, the Chairman, to disclose the information. Once approved for release, the Company Secretary shall immediately notify the ASX of the information concerning the Company.
- (f) 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)).
- (g) The Company Secretary shall maintain a record of all matters received and assessed by the Disclosure Committee.
- (h) If at any time an officer of Iluka has any queries in respect to the Company's continuous disclosure obligations, they must contact the Company Secretary (or in his absence either the Chief Financial Officer or the General Manager, Investor Relations) for clarification.

## 2.10 Prevention of selective disclosure

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.

## **2.11 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 rumour 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, if the ASX considers that there is or is likely to be a false market in the Company's securities, it may require the Company to give the ASX any information it asks for to correct or prevent the false market; the ASX is likely to consider that there is or is likely to be a false market in the Company's securities if:
  - (i) the Company has information that has not been released to the market (e.g. because Listing Rule 3.1.A applies);
  - (ii) there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement to the market; and
  - (iii) there is evidence that the rumour or comment is having, or the ASX forms a view that the rumour or comment is likely to have, an impact on the price of the Company's securities.

## **2.12 Monitoring of social media**

The Company monitors social media as part of its efforts to avoid the emergence of a false market in the Company's securities. The Company also 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.

## **2.13 Breaches and liability**

If Iluka fails to notify the ASX of information required to be disclosed in accordance with Listing Rule 3.1, it contravenes its legal obligations and may be guilty of an offence under section 674 of the Corporations Act. Iluka may face civil and criminal liability for a contravention of the Corporations Act.

The Directors and officers of Iluka responsible for ensuring that Iluka meets its continuous disclosure obligations may also face civil liability and where they aid and abet the Company in an offence they may also be criminally liable.

## **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
- Directors or senior managers nominated for a specific event, purpose or issue

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

Any written materials containing new 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 receipt by the ASX, these are posted to Iluka's website. In addition to the above, the Company maintains a database of third parties (including media, analysts, government and institutional investors) who receive a copy of this material via email following ASX confirmation.

### 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 the Disclosure Committee;
- the Disclosure Committee will 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 shall 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 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.

## **4. GENERAL**

### **4.1 Accountabilities and responsibilities**

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

Only persons authorised by the Disclosure Committee are permitted to make public comment on the Company's behalf.

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

The General Manager, Investor Relations is responsible for:

- (a) monitoring of 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 of social media in the particular circumstances described in Section 2.12 of this Policy.

### **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.

The Continuous Disclosure and Market Communications Policy was adopted by the Board of Iluka Resources Limited at Perth on 20 June 2005 and subsequently amended by the Board on 20 September 2006 and 21 May 2013.