



Topic: API Continuous Disclosure  
Date: July 2007  
Applies to: All sites  
Circulate to: All managers, may be viewed by all staff

**What is the purpose of this policy statement?**

Understanding the obligations of API in regard to disclosure of information to the Australian Securities Exchange (ASX)

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**General disclosure policy and obligations**

API has obligations under the Corporations Act and the Listing Rules of ASX to keep the market fully informed of information which may have a material effect on the price or value of API's shares. API's policy is to comply with such requirements and does so by releasing information to ASX in various forms (letters, media releases, Annual Reports, and results announcements).

**Continuous disclosure obligations**

API's obligations to disclose information may be for the following reasons:

1. ASX Listing Rule 3.1

This rule requires that API must immediately notify ASX of any information API becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of API's shares.

2. Material effect on the price or value of shares

A reasonable person is taken to expect information to have a material effect on the price or value of shares if it would, or would be likely to, influence persons who commonly invest in shares in deciding whether or not to subscribe for, buy or sell API shares.

3. Release of information to others

API must not release material price sensitive information to any person (e.g. the media or analysts) until it has first given the information to ASX and has received confirmation that ASX has released that information to the market.

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#### 4. Exceptions to the continuous disclosure obligation

Confidential price sensitive information need not be immediately disclosed where each of the following conditions is, and remains, satisfied:

- i) A reasonable person would not expect the information to be disclosed; and,
- ii) The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- iii) One or more of the following apply:
  - a) it would breach the law to disclose the information;
  - b) the information concerns an incomplete proposal or negotiation;
  - c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - d) the information is generated for the internal management purposes of API; or
  - e) the information is a trade secret

As soon as any one of these three conditions is not, or no longer, satisfied (e.g. a media report that breaches confidentiality) API must comply with its continuous disclosure obligations and make disclosure to ASX.

ASX has a discretion to determine that information is no longer confidential – in which case the exception from disclosure will not apply and API must make an announcement to ASX. ASX may hold this view if there is a rumour circulating about the information and the rumour is reasonably specific. This highlights the importance of maintaining confidentiality of sensitive information.

#### 5. False market

If ASX considers that there is or is likely to be a false market in API shares and asks API to provide it information to correct or prevent a false market, then API must give ASX the information required to do so.

ASX would consider that there is or is likely to be a false market in API shares in the following circumstances:

- a) API has information that has not been released to the market (for example because of the exception (e) in the paragraph above); and
- b) There is a reasonably specific rumour or comment in relation to API that has not been confirmed or clarified by an API announcement to the market; and
- c) There is evidence that the rumour or comment is having, or ASX forms a view that the rumour is likely to have, an impact on the price of API shares.

A failure to comply with the continuous disclosure rules is a contravention of the ASX Listing Rules as well as the Corporations Act 2001 (Cth). The Australian Securities and Investments Commission (ASIC) has a range of enforcement options if it considers that API has breached its continuous disclosure obligations. These include issuing an administrative order (known as an "infringement notice") involving the payment of a monetary fine, to court proceedings against API as well as those involved in API's failure to comply with its continuous disclosure obligations. Such proceedings are serious and may involve large fines being imposed on API as well as relevant API officers.

The serious consequences mean that API encourages all its managers to take continuous disclosure seriously. Any disclosure concerns should be raised with a member of the Market Disclosure Committee.

The Market Disclosure Committee is comprised of the Managing Director, Chief Financial Officer and Company Secretary.

### **Reporting Disclosable Events**

If API staff become aware of information at any time that should be considered for release to the market it must be reported immediately to the Market Disclosure Committee. Senior managers within API must ensure they have relevant procedures in place in their areas of responsibility in order to receive information which may be materially price sensitive so that it may be considered by the Market Disclosure Committee.

A similar reporting obligation also arises where the Chairman or a Non-Executive Director becomes aware of information that should be considered for release to the market.

Where the Market Disclosure Committee determines information should be released to ASX it will inform the Chairman.

For open briefings or where public speeches are to be made the relevant presentation materials and speeches are to be lodged first with ASX.

### **Public comments and financial market communications**

In order to ensure that API meets its continuous disclosure obligations, it is important to exercise controls on what is said publicly and by whom. There is a Media Policy which should be read in conjunction with this policy.

Authorised spokespeople for the financial markets are the Chairman, Managing Director, Chief Financial Officer, General Manager Corporate Affairs; or their nominated delegate for a specific purpose.

When disclosing financial results, API may release a range of supporting information that will also be lodged with ASX. In addition, API may conduct a number of one-on-one briefings, speeches, site visits, broker sponsored conferences, other briefings and so on to explain the position of the company. At all times API representatives must comply with it's the continuous disclosure obligations and must not disclose materially price sensitive information to an external party without that information first having been disclosed to ASX.

API recognizes the importance placed on broking reports. Any comment on such reports will be confined to errors in factual information underlying the analyst assumptions provided it doesn't breach continuous disclosure rules.

**Blackout periods**

Between the end of a reporting period and the announcement of that period's financial results API recognises a "blackout period" in relation to price sensitive financial information. API's policy is that it will not hold one-on-one briefings or open briefings to discuss anything other than information that has previously been disclosed to ASX or is generally known. If any briefings are held then all continuous disclosure obligations must be adhered to.

**Policy breaches**

API regards its continuous disclosure obligations very seriously and breaches of this policy by API staff or contractors may lead to disciplinary action.

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