

# COAL & ALLIED

*Managed by Rio Tinto Coal Australia*

## **CONTINUOUS DISCLOSURE POLICY**

This Policy deals with the continuous disclosure obligations applicable to Coal & Allied, primarily being the continuous disclosure obligations imposed under the Listing Rules of the ASX.

The main body of this Policy comprises 3 parts:

- Part 1:** ***The Legal Position.*** This section describes the principal disclosure obligations, and the consequences of a failure to disclose information.
- Part 2:** ***Materiality Guidelines.*** This section provides practical assistance in assessing when matters may require disclosure
- Part 3:** ***Reporting Processes.*** This section describes the system to be followed in identifying potentially discloseable information, reporting it internally and, if required, disclosing it to the relevant ASX or regulatory body.

## Part 1 – The Legal Position

### 1. INTRODUCTION

Coal & Allied endeavours to be open and accurate in all its communications. We are committed to providing timely and accurate information to the financial community and will disclose to the market as soon as possible any information required to be disclosed by any applicable regulation.

### 2. AUSTRALIAN DISCLOSURE OBLIGATIONS

#### 2.1 Obligation to disclose

Under Listing Rule 3.1, Coal & Allied is required to notify the ASX immediately it is, or becomes, aware of:

any information concerning it that a reasonable person would expect to have a material effect on the price or value of Coal & Allied's securities.

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A reasonable person will be taken to expect particular information to have a material effect on the price or value of any of Coal & Allied'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 the securities. As this is an assessment of market behaviour, advice may be required from a suitable expert.

Coal & Allied must not release this information to any other person (such as the media) until it has given the information to ASX and received an acknowledgment that ASX has released the information to the market (Listing Rule 15.7).

## **2.2 Exceptions to disclosure**

Disclosure under Listing Rule 3.1 is not required where each of the following conditions is satisfied:

- (a) a reasonable person would not expect the information to be disclosed; and
- (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 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 Coal & Allied's internal management purposes; or
  - (v) the information is a trade secret.

Coal & Allied must meet its continuous disclosure obligation as soon as any one of paragraphs (a), (b) and (c) is no longer satisfied.

For example, any information which is not confidential does not qualify for the exceptions from disclosure (even if the other exceptions in paragraph (a) and (c) apply). It is therefore essential that information which is not disclosed is and remains subject to strict confidentiality obligations and is not leaked. If the information has been leaked, even in breach of a duty of confidentiality, it is no longer confidential and disclosure of the information to ASX will be required.

Disclosure may also be required if ASX forms the view that the information has ceased to be confidential.

## **2.3 Correcting a false market**

Under Listing Rule 3.1B, if ASX considers that there is or is likely to be a false market in Coal & Allied's securities and asks Coal & Allied to provide information to it to correct or prevent a false market, Coal & Allied must provide the information. Coal & Allied is required to give ASX this information even if the exceptions to disclosure (as set out in section 2.2 above) apply.

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ASX has indicated that it is likely to consider that there is or is likely to be a false market in a company's securities if:

- (a) the company has information that has not been released to the market (eg, because the exceptions to disclosure (as set out in section 2.2 above) apply);
- (b) there is 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
- (c) there is evidence that the rumour or comment is having, or ASX forms a view that the rumour or comment is likely to have, an impact on the price of the company's securities.

#### **2.4 Awareness of information**

Under ASX Listing Rule 19.12, Coal & Allied becomes aware of information if a director or executive officer of Coal & Allied has, or ought reasonably to have, come into possession of information in the course of the performance of their duties as a director or executive officer of Coal & Allied.

That is, the disclosure obligation applies not only to information of which the directors or executive officers are *actually* aware, but also information of which those persons *ought reasonably to have been aware*.

Whenever a director or executive officer is in possession of information which may have a material effect on the price or value of Coal & Allied's shares, the information should be immediately communicated in accordance with this Policy.

### **3. APPOINTMENT OF AUTHORISED OFFICERS**

The Company Secretary of Coal & Allied has been appointed to have primary responsibility for administration of this Policy (in conjunction with the Managing Director and Chief Financial Officer, as outlined below).

The Company Secretary's responsibilities include:

- (a) monitoring Coal & Allied's compliance with its continuous disclosure obligations, and;
- (b) raising the awareness of directors and relevant employees of the principles underlying Coal & Allied's continuous disclosure obligations.

The Managing Director, through the Chief Financial Officer and Manager of Investor Relations, and, where relevant, the Company Secretary, has responsibility for overseeing and co-ordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public.

### **4. CONTRAVENTION AND LIABILITY**

A breach of the Australian continuous disclosure obligations can result in criminal and civil liability under the Corporations Act (including heavy fines and adverse publicity

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orders) and various types of actions for compensation by persons who have suffered or were likely to suffer loss as a result of the contravention.

In addition, officers (including directors and employees) and advisers who are involved in a contravention may also face criminal and civil liability. The maximum criminal penalty for an individual would be a fine or imprisonment or both.

ASIC also has the power to impose financial penalties and issue infringement notices in relation to contraventions of the continuous disclosure regime.

## Part 2 – Materiality Guidelines

### 1. INTRODUCTION

The following guidelines are provided to assist directors and employees in identifying matters that may require disclosure. The purpose of these guidelines is to identify matters which can then be considered more fully, with a view to determining whether disclosure is required.

Matters which will require consideration under these guidelines will not necessarily require disclosure. Conversely, it is important to remember that a matter may be discloseable even if it does not come within any of the following categories.

### 2. MATERIALITY TESTS

Matters (some of which are drawn from the note to ASX Listing Rule 3.1) which provide a guide only as to whether a matter may be considered “material” for Coal & Allied, may include, but are not limited to, a matter:

- (a) that might affect the ability of Coal & Allied to carry on business;
- (b) that might have a material effect on future activity of Coal & Allied;
- (c) that might have a material effect on income, cash flow or the ability to generate profits (including where there would be a long term effect even if the effect in any one year is not material);
- (d) involving any significant changes in technology or the application of technology which could affect the business of Coal & Allied;
- (e) involving any significant proposed change in regulation or law that could have a significant effect on the business of Coal & Allied or any of its employees;
- (f) involving an allegation of any significant breach of the law, whether civil or criminal, by Coal & Allied or any of its employees;
- (g) involving a change in financial forecasts or expectations;
- (h) involving the appointment of a receiver, manager, liquidator or administrator to Coal & Allied or an event which could result in Coal & Allied or any "material" affiliate entity becoming insolvent;

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- (i) involving a declaration of a dividend or a decision that a dividend will not be declared;
  - (j) involving an agreement between Coal & Allied (or a related party of either) and a director (or a related party of a director);
  - (k) involving a change in executive personnel or structure;
  - (l) that may have an adverse effect on the reputation of Coal & Allied;
  - (m) concerning information regarding the beneficial ownership of Coal & Allied's securities obtained;
  - (n) relating to the giving or receiving of an indication of intention to make a takeover;
  - (o) concerning any rating applied by a rating agency to Coal & Allied, and any change to such rating;
  - (p) involving a change in accounting policy adopted by Coal & Allied;
  - (q) involving a proposal to change the auditor of Coal & Allied; and
  - (r) that is in some other way onerous, unusual or so outside the ordinary course of business that it ought to be considered.

## Part 3 – Reporting Processes

### 1. INTRODUCTION

The Group's reporting system encompasses:

- (a) regular internal reporting which may identify matters requiring disclosure;
- (b) reporting of events occurring between regular reporting which may identify matters requiring disclosure; and
- (c) a process for regularly reviewing Coal & Allied's continuous disclosure compliance program.

### 2. REGULAR REPORTING

The following regular reporting is provided by employees within the Company for a variety of functional reasons. These reports should assist in identifying the occurrence of a disclosable matter:

- (a) Board reports, including Board Committee reports (e.g. reports from the Audit Committee);

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- (b) MD Team Meeting reports;
  - (c) Investment Committee reports;
  - (d) Monthly Coal & Allied earnings reports;
  - (e) HSE (Health, Safety and Environment) reports;
  - (f) audits and reports from Internal Audit;
  - (g) annual Internal Control Questionnaires; and
  - (h) Litigation Reports.

However, directors, and employees should not wait for, or rely on, regular reporting to advise of an important event that may require disclosure under Coal & Allied's continuous disclosure obligations.

At each Board meeting and at each MD Team meeting, members will consider any information which potentially may require disclosure.

### **3. EVENTS OCCURRING BETWEEN REGULAR REPORTING**

#### **3.1 On-going assessment of information**

It is essential that there is ongoing monitoring and assessment by directors, executives and other employees within Coal & Allied of information for the purposes of disclosure. The aim is twofold – to identify new information that should be disclosed and to ensure that information that has previously been withheld from disclosure on the basis of the exceptions is released immediately, once the exceptions no longer apply.

#### **3.2 Person to whom events should be reported**

If, in the performance of their duties, a director or employee becomes aware of information that may be material, they should immediately notify that information:

- in the case of a director, to the Chairman or the Managing Director
- in the case of an employee, to the Managing Director, Chief Operating Officer or Chief Financial Officer.

In the case of doubt, the immediate contact point should be the Company Secretary.

Please refer to Part 2 of this Policy for guidance on materiality.

It is critical that information is communicated by directors and employees as soon as they become aware of that information.

In all circumstances, should a director or employee have any doubt as to whether the information requires disclosure, they should err on the side of caution and notify that information as set out above.

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### **3.3 Process to determine if disclosure required**

When a matter is reported, the Managing Director, Chief Operating Officer or Chief Financial Officer will discuss the significance of the matter and possible disclosure responses. The Managing Director, Chief Operating Officer or Chief Financial Officer should also inform the Manager of Investor Relations and the Company Secretary.

The Managing Director and the Chief Financial Officer will determine whether the matter is material and, if so, whether disclosure is required or the exceptions to disclosure apply. If in doubt, they will consult the Chairman and other directors and may, if necessary, consult (as they consider appropriate) with External Affairs, Investor Relations and Company Secretary, legal and external advisers.

If a decision is made that disclosure is required, External Affairs, Investor Relations and Company Secretary will be consulted in the announcement to the ASX.

Once the announcement has been settled, External Affairs will arrange for the information to be disclosed to the ASX. Coal & Allied will be responsible for placing the material on the Coal & Allied website and releasing to the media (if appropriate).

### **3.4 No selective disclosure**

There must be **no selective disclosure of material information**. All releases of material information must first be made to the ASX. For example, there must be no selective disclosure to brokers and analysts. Dealings with brokers and analysts must be through the Managing Director or Chief Financial Officer.

### **3.5 Protecting the confidentiality of information**

If a decision is made by the Managing Director or Chief Financial Officer that information does not need to be disclosed on the basis that an exception applies and the information remains confidential, the confidentiality of that information must be maintained. Accordingly, each director and employee (as well as each adviser and consultant) who possess that information must continue to preserve the confidentiality of that information, including by:

- (a) refraining from discussing that information with, or divulging that information to, any person who is not authorised to receive that information; and
- (b) ensuring that any documents or other written material in their possession in relation to that information are properly and securely stored and are not disclosed to an unauthorised person.

## **4. ROUTINE BUSINESS REPORTING**

When a "routine" event occurs that requires disclosure, such as an appointment of a new director, the Company Secretary (together with External Affairs) will disclose the information to the ASX and, once an acknowledgment of receipt has been received from the ASX, Coal & Allied will release the information to the media and on Coal & Allied's website (as appropriate).

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## **5. LEAKS, RUMOURS AND INADVERTENT DISCLOSURE OF INFORMATION**

### **5.1 Leaks, rumours and inadvertent disclosure**

Coal & Allied's general policy is not to respond to reports or rumours published by analysts, fund managers or reporters. From time to time, however, it may be necessary to respond to unauthorised disclosure of information or market rumours concerning Coal & Allied if the information or rumours are material.

All instances of unauthorised or selective disclosure or rumours should be reported to the Manager of Investor Relations and the Company Secretary, as soon as they become known. Coal & Allied must be able promptly to determine whether any correcting statement should be issued and to respond to requests by the ASX (see section 5.3 below).

### **5.2 Assessment of Coal & Allied's response**

When a matter is reported, the Manager of Investor Relations and the Company Secretary will discuss the significance of the matter and possible disclosure responses with the Managing Director.

### **5.3 Referral of enquiries**

Any queries by the ASX, the media, analysts, brokers, shareholders or the public about a market rumour concerning Coal & Allied or regarding information that is subject to this Policy must be referred to the Company Secretary. Where appropriate, the matter will be referred to the Managing Director or Chief Financial Officer. Queries from the ASX, particularly under the "false market" rules, are likely to be directed to the Coal & Allied Company Secretary and require a timely response. In these circumstances, the Company Secretary may need to contact the Managing Director or Chief Financial Officer immediately.

The only persons authorised to speak to the media or any other person outside the company about material information relating to Coal & Allied, information that is subject to this Policy or market rumours regarding Coal & Allied are:

- the Chairman;
- the Managing Director, Chief Financial Officer and General Manager of External Affairs (in regard to analysts, brokers, shareholders and the public);and
- the Company Secretary (in regard to the ASX).

## **6. RELEASE OF INFORMATION FROM COAL & ALLIED**

To ensure that Coal & Allied approaches its continuous disclosure obligation consistently and that information is not released publicly prior to its disclosure to the ASX, it is important that:

- (a) no one other than the Company Secretary, Investor Relations or External Affairs releases information to, or communicates with, the ASX unless specifically authorised to do so by the Chairman, or Managing Director. This includes responding to market rumours, leaks of sensitive information and inadvertent disclosures; and

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- (b) any employee proposing to disclose information about Coal & Allied publicly, such as at private briefings, must:
    - (i) inform Manager of Investor Relations and Company Secretary of the information to be disclosed, to ensure that Coal & Allied's disclosure obligation is not breached;
    - (ii) provide to Manager of Investor Relations and the Company Secretary a copy of any presentation slides or other documents to be used, for timely release to the ASX and posting on the website (as appropriate);
    - (iii) only discuss information that has been released to the ASX or is not of a material nature;
    - (iv) decline to respond to, or must take on notice, any question the answer to which would require disclosure of material information until the information has been disclosed to the ASX; and
    - (v) particularly in discussions with analysts, not comment on any financial projections other than to correct errors in publicly available factual information and underlying assumptions; and

## **7. REGULAR REVIEW OF THIS POLICY**

The following process has been determined for the ongoing review of Coal & Allied's compliance with its continuous disclosure obligations:

- (a) conduct a regular review of the adequacy of this Policy and the procedures established under it to ensure Coal & Allied identifies in a timely manner all material disclosure events, that the Managing Director or Chief Financial Officer are promptly made aware of such events and that Coal & Allied's disclosure obligations (if any) are met;
- (b) keep up to date with any changes in Coal & Allied's continuous disclosure obligations and update this Policy to reflect any developments; and
- (c) further develop policies that promote a considered and consistent approach to disclosure.

## **8. RAISING AWARENESS OF CONTINUOUS DISCLOSURE OBLIGATION**

The Company Secretary will arrange for training and briefing sessions to be conducted for directors and relevant employees to provide information about Coal & Allied's continuous disclosure obligations, to describe the operation of this Policy and to raise awareness of the principles underlying continuous disclosure, as well as providing assistance and advice as required.

## **9. QUERIES**

If, at any time, directors or employees have any queries regarding their information reporting obligations, or Coal & Allied's continuous disclosure obligations, they should contact the Company Secretary.

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***Approved by the Board***

***2 March 2007***