

Policies & Standards

CONTINUOUS DISCLOSURE POLICY

This Continuous Disclosure Policy comprises 4 parts:

- Part A:** **Policy Principles.** This Part sets out the key principles and purpose of this policy.
- Part B:** **Materiality Guidelines.** This Part provides practical assistance in assessing when matters may require disclosure by using qualitative tests of materiality.
- Part C:** **Reporting Processes.** This Part describes the system to be followed in identifying potentially disclosable information, reporting it internally and, if required, disclosing it to ASX.
- Schedule:** **The Legal Position.** This Schedule discusses Alumina's principal continuous disclosure obligations and the consequences of a failure to disclose information.

Part A: Policy Principles

1. Introduction

1.1 Summary

A failure by Alumina Limited ("Alumina" or the "Company") to make timely disclosure of information that may have a material effect on the price or value of Alumina's securities may result in criminal or civil liability for Alumina, its directors and officers.

ASX guidelines state that information may have a material effect on the price or value of Alumina's shares if:

- the information would influence you in deciding whether to buy or sell Alumina securities; and
- you would feel exposed to an allegation of insider trading if buying or selling Alumina securities, given what you know about the Company.

1.2 Purpose of this policy

This policy outlines the corporate governance measures adopted by Alumina to comply with its continuous disclosure obligations. It seeks to incorporate:

- a. Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of security holders) of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations;
- b. the principles in ASX's Guidance Note 8 (Continuous Disclosure: Listing Rules 3.1-3.1B) ("Guidance Note 8") and the principles set out in Australian Securities and Investments Commission's ("ASIC") Regulatory Guide 62 (Better disclosure for investors); and
- c. disclosure obligations in the ASX Listing Rules ("Listing Rules").

This policy applies to all directors on the board of Alumina ("Board"), as well as all officers and employees of Alumina.

2. ASX Continuous Disclosure Obligation

2.1 Disclosure obligation

Alumina is listed on the ASX and must comply with the continuous disclosure obligations in the Listing Rules and the Corporations Act 2001 (Cth) ("Corporations Act").

Under Listing Rule 3.1, and subject to the exception discussed in section 2.4 of Part A, Alumina is required to notify ASX "immediately" (i.e. "promptly and without delay") once 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 [its] securities.

Alumina must not release this information to any other person (such as the media or analysts) until it has given the information to ASX and received an acknowledgement that ASX has released the information to the market (Listing Rule 15.7). Similarly, information released to overseas markets must be provided simultaneously to ASX (unless ASX is closed and the relevant overseas exchange requires immediate disclosure).

In this context, "information" includes not only pure matters of fact, but also matters of opinion and intention.

2.2 When is Alumina aware of information?

Under ASX Listing Rule 19.12, Alumina becomes aware of information if, and as soon as, an officer of Alumina has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of Alumina.

Accordingly, whenever any Alumina employee is in possession of information which may have a material effect on the price or value of Alumina's shares, it is critical that the information is immediately communicated in accordance with this policy.

Alumina and its officers must endeavour to act promptly in taking the necessary steps to assess the materiality of information reported; where an officer of Alumina is on notice of information that potentially could be market sensitive, that officer must make further enquiries or obtain any advice needed to confirm its market sensitivity within a reasonable period.

For the purposes of the Listing Rules, 'officer' has the meaning given in the Corporations Act and includes a director, secretary or senior manager.

2.3 What is material?

The measure used in Listing Rule 3.1 is whether a reasonable person would expect the information to have a material effect on the price or value of the Company's securities. A reasonable person is taken to expect particular 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 the securities.

Such information is referred to in this policy as "market sensitive information".

See the Materiality guidelines set out in Part B of this policy.

2.4 Exception

Disclosure under Listing Rule 3.1 is not required where each of the following conditions is satisfied in relation to the relevant information:

- a. 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 the internal management purposes of the Company; 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.

Alumina must meet its continuous disclosure obligation under Listing Rule 3.1 once one or more of the above conditions is no longer satisfied. For example, if the information is inadvertently leaked and is therefore no longer confidential, immediate disclosure of the information to ASX will be required (see section 2.4 of the Schedule).

3. Disclosure Roles and Responsibilities

3.1 Authorised Officer

Alumina has appointed Katherine Kloeden, General Counsel and Company Secretary as the officer who is to have primary responsibility for administration of the Company's continuous disclosure policy. His responsibilities include:

- a. making sure that Alumina complies with the continuous disclosure requirements;
- b. determining what information will be disclosed by Alumina to ASX (with the assistance of the Disclosure Committee and/or the Board, as applicable);
- c. preparing (or overseeing the preparation of), reviewing, approving and co ordinating disclosure of information to ASX and other external disclosures, including information provided to analysts, brokers, shareholders, the media and the public (with the assistance of the Disclosure Committee, as applicable), and consulting with appropriate members of the Board, management and/or external advisers as necessary;
- d. maintaining an accurate record of all announcements sent to ASX and all correspondence with ASIC in relation to Alumina's continuous disclosure obligation; and
- e. educating directors, officers and employees on Alumina's continuous disclosure policy and raising awareness of the principles underlying continuous disclosure.

If the General Counsel and Company Secretary is absent, then the references to the General Counsel and Company Secretary in this policy, including those relating to his role as a member of the Disclosure Committee, should be taken as being to the Assistant Company Secretary (or such other person as is nominated by the General Counsel and Company Secretary for the relevant purpose) unless the context requires otherwise.

3.2 Disclosure Committee

Alumina has also formed a Disclosure Committee, comprising the Chief Executive Officer, Chief Financial Officer, the General Counsel and Company Secretary and the Group Executive, Strategy and Development. The purpose of the Disclosure Committee is to assist the General Counsel and Company Secretary in fulfilling his responsibility for administering this policy.

In particular, the Disclosure Committee will assist the General Counsel and Company Secretary with:

- a. determining what information will be disclosed by Alumina to ASX; and
- b. preparing (or overseeing the preparation of), reviewing and approving external disclosure of information.

In performing the above functions, the Disclosure Committee will act through the General Counsel and Company Secretary and such of its other members as are reasonably available to perform the relevant function. Accordingly, all references in this policy to the Disclosure Committee in relation to such functions are to be interpreted as references to the relevant members acting in that capacity, and their action in that capacity will be considered to be the action of the Disclosure Committee for the purposes of this policy.

The existence or role of the Disclosure Committee does not, however, detract from the primary responsibility of the General Counsel and Company Secretary in administering this policy (as set out in section 3.1 of Part A).

Part B: Materiality Guidelines

1. Introduction

To assist directors, officers and employees in identifying matters which may require disclosure, the following guidelines are provided which include certain preliminary thresholds. The purpose of these guidelines is to identify matters which can then be considered more fully as to whether or not disclosure is required.

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

Where a matter is potentially disclosable, the General Counsel and Company Secretary should be informed as soon as possible.

2. Materiality Tests

2.1 Qualitative test

Although the test for determining materiality is an objective one, ASX has indicated that directors, officers and employees may find the following questions useful in providing some guidance as to whether information may be market sensitive:

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

By way of further guidance, matters which may potentially be material depending on the relevant facts and circumstances include, but are not limited to, matters:

- a. that might affect Alumina's ability to carry on business;
- b. that might have a material effect on future activity;
- 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 that could affect the Company's business;
- e. involving any proposed change in regulation or law that could materially affect the Company's business;
- f. involving a significant allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees;
- g. involving the appointment of a receiver, manager, liquidator or administrator in respect of the Company or an event which could result in the Company or an affiliate entity becoming insolvent;
- h. involving a change in executive personnel and/or structure;
- i. that may have an adverse effect on Alumina's reputation; or
- j. that are in some other way onerous, unusual or so outside the ordinary course of business that they ought to be considered (including those matters listed in this section 2.2).

2.2 Examples in Listing Rule 3.1

Listing Rule 3.1 provides the following examples of matters that may need to be disclosed to ASX:

- a. a transaction that will lead to a significant change in the nature or scale of the Company's activities;
- b. a material mineral or hydrocarbon discovery;
- c. a material acquisition or disposal;
- d. the granting or withdrawal of a material licence;
- e. the entry into, variation or termination of a material agreement;
- f. becoming a plaintiff or defendant in a material law suit;
- g. the fact that the Company's earnings will be materially different from market expectations;
- h. the appointment of a liquidator, administrator or receiver;
- i. the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- j. under subscriptions or over subscriptions to an issue of securities (a proposed issue of securities is separately notifiable to ASX under Listing Rule 3.10.3);
- k. giving or receiving a notice of intention to make a takeover; and
- l. any rating applied by a rating agency to the Company or its securities and any change to such a rating (only when required under continuous disclosure obligations).

2.3 Variations in earnings

Guidance Note 8 states that, all other things being equal, a listed entity is not expected to release the information in its half yearly or annual financial statements ahead of their scheduled release date. Sometimes, however, in the course of preparing financial statements (or indeed at any other time), market sensitive information may become apparent that ought to be disclosed immediately under Listing Rule 3.1. Two areas where this issue commonly arises are earnings surprises and post-balance date events.

If Alumina becomes aware that its earnings for a reporting period will materially differ (downwards or upwards) from market expectations (whether based on company earnings guidance, analyst estimates or earnings for the prior corresponding period), careful consideration will need to be given as to whether Alumina has a legal obligation to notify the market of that fact.

ASX's Guidance Note 8 indicates that such variations should be disclosed where the difference is of such magnitude that a reasonable person would expect it to have a material effect on the price or value of the Company's securities (having regard to factors such as whether near term earnings are a material driver of share price, whether the difference is cash or non cash, whether it is permanent or temporary, and whether it is recurring or a one off). ASX's guidance is that a price movement will generally be material if it is greater than 10 per cent, and not material if it is less than 5 per cent (though this guidance does not bind ASIC or third parties).

Alumina does not give specific earnings guidance. Therefore analyst forecasts are the most useful reference point for assessing a material variation. Alumina's view is that generally consensus estimates will be the best indicators of analyst forecasts, however there may be circumstances where a consensus estimate is distorted by the presence of outliers such that a consensus estimate adjusted to exclude such outliers may be a more meaningful reference point. See section 7.5 of Part C for further information on Alumina's approach to analyst reports and forecasts.

Part C: Reporting Processes

1. Introduction

Alumina's reporting system will encompass:

- a. regular internal reporting which may identify matters requiring disclosure;
- b. reporting of events occurring between regular reporting which may identify matters requiring disclosure;
- c. a process for assessing and disclosing information; and
- d. a process for regularly reviewing Alumina's continuous disclosure compliance program.

2. Regular Reporting

2.1 Employees

Each employee of Alumina is required to provide the following regular reports and reviews: :

- a. Noting and analysis of any continuous disclosure events or issues in the Board performance report
- b. Review of continuous disclosure at each regular management meeting of the Alumina executive group.

These reports and reviews should assist in identifying the occurrence of any significant event. However, directors, officers and employees should not wait for, or rely on, regular reporting to advise of an important event that may require disclosure under Alumina's continuous disclosure requirements. See the procedure for reporting events which occur between regular reporting, at section 3 of this Part C.

2.2 Directors

Each director is also required to consider prior to each Board meeting whether they possess any information which may require disclosure by Alumina under its continuous disclosure obligations. It is a standing agenda item at each Board meeting that the directors raise and consider any information which potentially may require disclosure and note and discuss any public announcements made since the previous Board meeting.

2.3 Information not disclosed

If it is decided that the exception provisions of Listing Rule 3.1 apply to a particular piece of information that is being reviewed for potential disclosure (see section 2.4 of Part A), or that the information is not material, then this decision is to be documented by the General Counsel and Company Secretary. The documentation on the decision will:

- a. describe the information in question;
 - b. include a statement as to the materiality of the information,
- and, if it is decided that the exception provisions apply:
- c. contain reasons supporting each of the three elements which must be satisfied for the exception to apply; and
 - d. appoint a person or persons to monitor and report to the Chief Executive Officer on the ongoing materiality of the information and the satisfaction of the three elements of the exception.

The agenda of each Board meeting will contain an item titled "Continuous Disclosure" for information and discussion purposes. Under this agenda item, the Board is provided with a copy of any documented decision not to disclose material, or potentially material, information which has arisen since the previous meeting together with any other outstanding documented decisions not to disclose arising from earlier periods. The Board will consider these issues and review their status.

3. Events Occurring Between Regular Reporting

If any director, officer or employee, in the performance of their duties at Alumina, becomes aware of information that may have a material effect on the price or value of Alumina's shares, they must immediately notify that information to:

- a. Katherine Kloeden (General Counsel and Company Secretary), either by phone on (03) 8699 2604 or by email at katherine.kloeden@aluminalimited.com; or
- b. in Ms. Kloeden's absence, Nick Wallace-Smith (Assistant Company Secretary), either by phone on (03) 8699 2609 or by email at nick.wallace-smith@aluminalimited.com.

It is critical to Alumina's effective compliance with its continuous disclosure obligation that information is communicated by its directors, officers and employees as soon as they become aware of that information.

In all circumstances, if there is any doubt as to whether the information requires disclosure, the relevant director, officer or employee should err on the side of caution and immediately notify that information to the General Counsel and Company Secretary.

4. Process for Assessing and Disclosing Information

4.1 Process to determine if disclosure required

When a matter is reported or otherwise arises, the General Counsel and Company Secretary will promptly consider (and, subject to the availability of other Disclosure Committee members and applicable time constraints, call a meeting of the Disclosure Committee to consider) the significance of the matter, and whether that matter should be disclosed to the ASX. If the General Counsel and Company Secretary (and, as applicable, the Disclosure Committee) consider that the matter is deemed to be of such significance that Board approval is considered necessary or desirable before it is disclosed to the ASX, it will be referred to the Board. See the process for board approval at section 4.2 of this Part C.

4.2 If the matter is required to be disclosed to the ASX, the General Counsel and Company Secretary (and, as applicable, the Disclosure Committee) will oversee that disclosure process, including approving the proposed announcement to ASX (unless Board approval is considered necessary or desirable).

Although many disclosure issues and announcements will be able to be dealt with and approved by the General Counsel and Company Secretary and the Disclosure Committee on the basis set out above, certain announcements will be of such significance that approval of the Board will be required before they are released. Significant matters include:

- a. declarations of dividends and dividend policy;
- b. company transforming transactions or events;
- c. profit upgrades or downgrades; and
- d. any other matter that is determined by the General Counsel and Company Secretary (and, as applicable, the Disclosure Committee) to be of key significance to Alumina.

If Board approval is required for an announcement, the requisite Board meeting to consider the announcement must be convened and the Board must settle and approve the announcement for release promptly and without delay. If a quorum for such Board meeting cannot be formed within a time frame that would allow Alumina to comply with its continuous disclosure obligation, the Chairman, or if he is not available the Chairman of the Audit Committee, may provide approval on behalf of the Board. A trading halt may also be appropriate (see section 7.2 of this Part C).

4.3 Notification of disclosure

Once an announcement has been approved and disclosed to the ASX, the General Counsel and Company Secretary will then advise the Chief Executive Officer when an acknowledgement has been received from ASX that the information has been released to the market, to enable the information to be released to the media or other third parties (if appropriate).

To improve access to investors of material information about the Company, when acknowledgement is received from ASX that information disclosed to it has been released to the market, the General Counsel and Company Secretary will arrange for it to be posted on Alumina's website. The information is to be posted in an area of the website separate from promotional material.

The General Counsel and Company Secretary will also forward a copy of all ASX announcements under Listing Rule 3.1 to the Board (promptly after the announcement has been made) and to all employees (via e-mail). The General Counsel and Company Secretary will then distribute the announcement to various third parties through media and other channels.

See section 7 of this Part C for further information on the release of information to the public from Alumina.

4.4 No selective disclosure

A corollary of the continuous disclosure obligation is that there must be no selective disclosure of market sensitive information. All releases of market sensitive information must first be made through the ASX Market Announcements Platform. This ensures that the market as a whole has equal access to material information about the Company at the same time.

4.5 Other steps to facilitate compliance

Where Alumina has advance notice of an event that is likely to require an announcement under Listing Rule 3.1, Alumina will prepare a draft announcement ahead of time that can be issued straight away.

Where the event that gives rise to the need to make an announcement is within the Company's control (for example, the signing of a material contract), there is a need to be sensitive to the hours when licensed markets in Australia and the United States are trading and, where possible, try to ensure that the event happens and the announcement is made before trading commences.

5. Routine Business Reporting

When an event occurs that is a matter of fact and which has been appropriately approved in accordance with Company policy, such as a new executive appointment, the General Counsel and Company Secretary will (with the involvement of the Disclosure Committee, as applicable) disclose the information to ASX and advise the Chief Executive Officer and his personal assistant when an acknowledgement has been received from ASX that the information has been released to the market, to enable the information to be released to the media and posted on the Company's website.

6. Leaks, Rumours and Inadvertent Disclosure of Information

6.1 Leaks, rumours and inadvertent disclosure

From time to time, it may be necessary to respond to the unauthorised disclosure of information or market rumours concerning the Company. To ensure a consistent response from the Company to such occurrences, all instances of unauthorised disclosure or rumours should be reported to the General Counsel and Company Secretary as soon as they become known. Alumina's general policy is not to comment on market speculation or rumours that are not credible and not reasonably specific, unless it is to correct or prevent a false market in the Company's securities or in responding to a request by ASX to correct or prevent a false market (see section 2.6 of the Schedule for further information on a false market).

6.2 Assessment of Company's response and disclosure of information

Section 4 of this Part C outlines the process to be followed in determining whether formal disclosure to ASX is required in relation to an unauthorised disclosure of information or market rumours.

Please note that, in the case of unauthorised disclosure of information, even if the information is not considered material and, therefore, would not have been required to be disclosed, the General Counsel and Company Secretary will make it available to investors on the Company's website.

6.3 Referral of enquiries

Any queries directed to an employee about an unauthorised disclosure of information or a market rumour by ASX, the media, analysts, brokers, shareholders or the public must be referred to the General Counsel and Company Secretary.

6.4 Preparatory steps

Alumina will seek to anticipate what might happen if information about a confidential transaction being negotiated leaks and have a template announcement ready that can be updated and issued straight away.

7. Release of Information from Alumina

To ensure that Alumina approaches its continuous disclosure obligation consistently, and information is not released publicly prior to its disclosure to ASX, it is important that the below procedures are followed when communicating to persons outside of the Company.

7.1 ASX communication

No one other than the General Counsel and Company Secretary, Assistant Company Secretary or the Chief Executive Officer may release information to, or communicate with, ASX (in respect of Alumina's continuous disclosure obligation) unless specifically authorised to do so by the General Counsel and Company Secretary or Chief Executive Officer. This includes responding to market rumours, leaks of sensitive information and inadvertent disclosure.

7.2 Trading halts and voluntary suspensions

In certain circumstances, Alumina may consider that it is not in a position to make an immediate announcement to the market regarding relevant information. In that case, Alumina may consider requesting a trading halt depending on the circumstances.

The ASX has indicated that it does not expect the Company to request a trading halt before it has assessed whether particular information is, in fact, market sensitive and therefore needs to be disclosed at all under Listing Rule 3.1. See the discussion in section 2.2 of Part A in relation to when Alumina is aware of information.

In circumstances where information has been assessed to be market sensitive and disclosure therefore prima facie required, Guidance Note 8 indicates that a trading halt will not be required, in most cases, if the Company is able to make the required announcement to ASX promptly and without delay (see further section 1.2 of the Schedule).

However, ASX's view is that a trading halt may be required in certain specific scenarios where the Company is not able to give the required disclosure in a very short period of time (i.e. "straight away"), such as where:

- there are indications of a leak and the leak is having, or is likely to have, a material effect on the market price or traded volumes of the Company's securities (see section 2.3 of Part A);
- the Company has been asked by ASX to provide information to correct or prevent a false market (see section 2.6 of the Schedule); or
- the information is especially damaging and likely to cause a significant fall in the market price of the Company's securities.

ASX's view is that there are also other circumstances where a trading halt may be appropriate. For example, if Board approval is necessary or desirable for an announcement before it is released, but the Board is unable to deal with it promptly and without delay, a trading halt may be appropriate. Other possible situations where a trading halt may be appropriate include where the announcement is complex and requires time to settle, or where the relevant situation is uncertain or evolving but is expected to be resolved within two trading days. In such cases, Alumina may ask ASX to impose a trading halt in respect of its securities to provide it with time to make the announcement while at the same time preventing trading in its shares taking place in an uninformed market.

Any request by the Company to ASX for a trading halt in the Company's securities requires the approval of the Chief Executive Officer and Chairman. If either the Chief Executive Officer or Chairman are unavailable, the Chairman of the Audit Committee may provide substitute approval. Any written request by the Company to ASX for a trading halt will be signed by the Chief Executive Officer or General Counsel and Company Secretary.

If a trading halt has not been requested by the Company to prevent the market trading ahead of an announcement, the General Counsel and Company Secretary will monitor:

- a. the market price of the Company's securities;
- b. major national and local newspapers;
- c. major news wire services, such as Reuters and Bloomberg;
- d. any investor blogs, chat-sites or other social media Alumina is aware of that regularly include postings about the Company; and
- e. enquiries from analysts or journalists,

for signs that the information in the announcement may have leaked. Any such signs shall be reported immediately to the Chief Executive Officer to consider whether a trading halt should be requested.

Alumina will only consider requesting a voluntary suspension in exceptional circumstances. Any request by the Company to ASX for a voluntary suspension of trading in Alumina's securities requires Board approval.

7.3 Close periods

To prevent inadvertent disclosure of market sensitive information during the period between the end of its financial reporting periods and the actual results release, Alumina's directors and management are required not to discuss any financial information, broker estimates or forecast that is market sensitive with investors, analysts or the media, unless the information being discussed has previously been disclosed to ASX. If you are unsure as to whether information is market sensitive, please contact the General Counsel and Company Secretary.

7.4 Briefings/meetings/conferences/conference calls with analysts, investors and the media

As part of Alumina's management of investor relations and to enhance analysts' understanding of its background and technical information, Alumina conducts briefings with analysts, investors and the media from time to time to discuss information that has been released to the market, including:

- investor presentations/group briefings;
 - analyst conference calls; and
 - media interviews,
- (together, "briefings").

Members of Alumina's management are also invited from time to time to participate or present at broker-sponsored conferences. The protocol and policy set out below, which applies to briefings, will also apply to these conferences.

Alumina's policy for conducting these briefings is not to disclose any information which is, or potentially is, market sensitive information, where that information has not previously been disclosed to ASX.

Alumina's Group Authorities Schedule (which details the level and scope of management's delegated authority from the Board) provides for procedures in relation to investor/analyst meetings and specifies the persons permitted to speak at such meetings.

Additionally, the following protocols apply:

- a. (a) a copy of presentation materials for a new investor or analyst presentation must be released on the ASX Market Announcements Platform ahead of the presentation – except to the extent that presentations are made at night, Australian time, when the ASX is closed. Such presentations can be made prior to ASX release, provided that the presentation is released to the ASX before the ASX is open on the following day;
- b. (b) any written material to be used at a briefing must be provided in advance to the General Counsel and Company Secretary to allow a determination to be made if that material needs to be released to ASX first because it contains market sensitive information;
- c. (c) where any forward-looking statements are to be made at a briefing, the Alumina director or employee must ensure that the presentation complies with the requirements set out in section 2.7 of the Schedule;
- d. (d) Meetings and phone discussions with analysts and investors must be attended by two representatives of the Company, one of whom must be either the CEO or CFO, unless this is not practical and the CEO has approved the attendees and content to be discussed in advance. Appropriate records should be kept of the briefing;
- e. (e) if a question raised during the briefing can only be answered by disclosing material market sensitive information which was not previously disclosed to ASX, any Alumina director or employee present at the briefing must decline to answer the question, and in appropriate cases take the question on notice and wait until Alumina announces the information publicly through ASX before responding; and

- f. any director or employee present at a briefing must immediately notify the General Counsel and Company Secretary if they consider that previously undisclosed market sensitive information was disclosed during the briefing. To this end, the Alumina director or employee should take reasonable steps to review the content of any briefing to check whether any market sensitive information has been inadvertently disclosed – such steps might involve, for example, a review of transcripts or notes of the briefing or discussion.

7.5 Responding to analyst reports and forecasts

Analysts frequently prepare reports on securities of listed entities, including Alumina, which contain performance and financial forecasts. Alumina will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to ASX by Alumina.

In particular, Alumina will not generally comment on analyst forecasts or earnings projections. However, it may comment on analysts' reports by correcting factual errors or underlying assumptions, but only to the extent that does not involve providing market sensitive information that has not previously been disclosed by Alumina to ASX. Alumina will not comment on any of the analysts' conclusions themselves.

If a draft report has been sent to Alumina for comment, it should be forwarded immediately to the General Counsel and Company Secretary who will liaise with the Chief Financial Officer, as appropriate.

7.6 Chat rooms, blogs and social networking sites

Alumina employees must not participate in chat room discussions on the internet, or post information on a social networking or other internet site, where the subject matter relates to the business affairs of Alumina, unless that person is authorised by the General Counsel and Company Secretary to do so, and that person only does so in accordance with the policy and protocols for Alumina's briefings and the terms of the authorisation given to them.

8. Regular Review of the Continuous Disclosure Policy

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

- a. Annually review the adequacy of the controls and procedures to ensure the Company identifies in a timely manner all material disclosure events, that the General Counsel and Company Secretary and, as applicable, the Disclosure Committee is promptly made aware of such events and that the Company's disclosure obligation (if any) is met. This review is to consist of the following procedures:
 - i. Management (including the Chief Executive Officer and Chief Financial Officer) are to supervise and participate in an evaluation of the effectiveness of the design and operation of the controls and procedures within 90 days before filing the annual report with the US Securities and Exchange Commission.
 - ii. Review the disclosure controls and procedures to ensure:
 - senior management have been involved in supervising the design and operation of the procedures;
 - the procedures are written;
 - they have enough detail to provide guidance but also be flexible;
 - they are customised for Alumina's management structure and industry;
 - they are overseen by a central person or group; and
 - the review and evaluation for effectiveness occurs in a formal session by senior management.
 - iii. The review of procedures should consider:
 - whether the right people are involved and how carefully they review the reports;
 - whether they allow enough time to prepare full and accurate disclosure;
 - how procedures ensure accuracy of reports;
 - how risk areas are identified and addressed; and
 - where the system might fail and how to address that.
 - iv. Consider whether understanding of disclosure requirements amongst employees is adequate and if training is necessary.
 - v. Confirm that top management, including the Chief Executive Officer and Chief Financial Officer, review reports to be certified, review specific issues as needed and ask questions of people preparing the reports if there are any questionable issues.
 - vi. Consider whether certifications from certain officers should be required – would it improve the quality of disclosure or be too cumbersome?
 - vii. Review how internal controls and financial accounting processes are coordinated with disclosure controls.
 - viii. The evaluation of disclosure controls and procedures should be conducted by a group including the Chief Executive Officer, Chief Financial Officer and General Counsel and Company Secretary who should:

- discuss with the key people involved in disclosure within AWAC, their disclosure of information to Alumina and the effectiveness of their disclosure controls and procedures;
 - meet with the Board/audit committee, to review the procedures; and
 - prepare a report evaluating the effectiveness of the procedures.
- b. Regularly review the adequacy of the materiality thresholds and recommend changes to the Chief Executive Officer.
- c. Maintain a record of matters considered for disclosure and further develop policies that promote a considered and consistent approach to disclosure.
- d. A reminder memorandum is to be forwarded annually to employees reminding them of the Company's continuous disclosure obligations.

9. Raising Awareness of Continuous Disclosure Obligations

The General Counsel and Company Secretary will arrange for regular training sessions to be conducted for directors, officers and employees to provide information about the Company's continuous disclosure obligations, describe the operation of this policy and raise awareness of the principles underlying continuous disclosure.

Each new employee of the Company is to be given a copy of this policy.

10. Queries

If, at any time, directors, officers or employees have any queries regarding their information reporting obligations, or Alumina's continuous disclosure obligation, they should contact the General Counsel and Company Secretary via the contact details provided in section 3 of this Part C.

Schedule: The Legal Position

1. Continuous Disclosure Obligation

1.1 Background

As a public listed company, Alumina is required to comply with a continuous disclosure obligation contained in the Listing Rules. This continuous disclosure obligation is complemented by requirements under the Corporations Act.

In addition to these legal requirements, Alumina 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 ASX policy as set out in Guidance Note 8 that ASX has issued in relation to continuous disclosure.

In summary, it is the responsibility of each director, officer and employee of Alumina to communicate to the General Counsel and Company Secretary (in accordance with this policy) any information regarding Alumina that may have a material effect on the price or the value of Alumina's securities as soon as that director, officer or employee becomes aware of that information.

If you are in any doubt as to whether the information should be disclosed, you must disclose that information to the General Counsel and Company Secretary in accordance with this policy, and it will then be more fully considered by those responsible for deciding whether or not disclosure to ASX is necessary.

Directors, officers and employees of Alumina must think broadly about whether any matters of which they are aware – even matters that are not purely factual, such as statements made by third parties or changes in expectations regarding future matters – constitute "information" for the purposes of Listing Rule 3.1.

1.2 Requirement for immediate disclosure

ASX policy recognises that there will necessarily be a period of time between when the Company becomes aware of information and becomes obliged to give the information to ASX in order to comply with its continuous disclosure obligation, and when it is able to make an announcement to ASX. Such passing of time does not of itself mean that there has been any "delay" by the Company in the provision of the information, provided that the Company is going about the process as quickly as it can in the circumstances and is not deferring, postponing or putting it off to a later time.

More specifically, ASX's Guidance Note 8 recognises a number of factors that will affect the speed with which a notice can be given under Listing Rule 3.1, including:

- a. where and when the information originated;
- b. the forewarning (if any) the Company had of the information;
- c. the amount and complexity of the information concerned;
- d. the need in some cases to verify the accuracy or bona fides of the information;
- e. the need for an announcement to be carefully drawn so that it is accurate, complete and not misleading;
- f. the need in some cases to comply with specific legal or Listing Rule requirements, such as the requirement for an announcement that relates to mining activities to comply with Chapter 5 of the Listing Rules; and
- g. the need in some cases for an announcement to be approved by the Company's Board or Disclosure Committee.

ASX has stated that it will take these factors into account, as well as whether or not the Company has promptly requested a trading halt to minimise the period that the market is trading on an uninformed basis (see section 7.2 of Part C), in assessing whether the Company has complied with its obligation to disclose information in a timely manner under Listing Rule 3.1.

This obligation has a twofold character: the disclosure obligation applies not only to information of which the directors or officers are actually aware, but also information which those persons ought reasonably to have. A director or officer of the Company may therefore be deemed to be aware of information known by any employee of the Company where that information is of such significance that it ought reasonably to have been brought to the attention of that director or officer in the normal course of performing their duties.

However, as recognised by current ASX policy, there can be an important difference between an officer of Alumina possessing a particular piece of information and the officer being in a position to meaningfully assess the materiality of that information. For example, Alumina management may need to make further enquiries or take steps to verify that information and assess its materiality in the context of the group as a whole. Until such time as an officer of Alumina is, or ought reasonably to be, in possession of sufficient information about a particular event or circumstance in order to be able to assess its market sensitivity, Alumina is not relevantly "aware" of that information for the purposes of Listing Rule 3.1.

2. Exceptions

There is an exception to disclosure under Listing Rule 3.1 (see section 2.4 of Part A). This exception is discussed in further detail below.

2.1 Disclosures in breach of law

The 'disclosure in breach of law' category of information is excluded from disclosure under Listing Rule 3.1 because it is considered inappropriate and harmful to force a company to disclose information that is subject to a law prohibiting it from doing so. Guidance Note 8 states that the disclosure of the relevant information must breach a specific statute, regulation, rule, administrative order or court order binding on the Company in order to fall within this category. It is not sufficient that the information may be subject to a confidentiality agreement or to duties of confidentiality under general law, such that its disclosure might give rise to legal action for damages or injunctive relief.

2.2 Incomplete proposals and negotiations

This category of information is excluded from disclosure to protect the Company from inappropriate commercial prejudice that may arise from, and to avoid potential market over-reaction to, premature disclosure.

Where this limb is relied on, active monitoring is required to determine if, and when, the relevant negotiation being pursued or the relevant proposal under development is sufficiently complete so that disclosure may be required (assuming the matter is market sensitive).

ASX's view is that negotiations are incomplete until they result in a legally binding agreement, or until the Company is otherwise committed to proceeding with the transaction being negotiated. While signing of an agreement can be arranged for after-market hours, it is not acceptable for the Company to be committed to an agreement (such as through a handshake or side letter) and to delay disclosure by delaying signing. If it did so, the disclosure exception would cease to apply at the time the Company was committed to proceed with the transaction.

Similarly, ASX's view is that a proposal involving the Company (either unilateral by the Company or multi-lateral with other parties) will be incomplete unless and until the Company has adopted it and is committed to proceeding with it.

Consistent with this view, ASX's position is that disclosure is not generally required of the receipt of a confidential takeover proposal, nor a decision to pursue it, until such time as it results in a legally binding agreement or other commitment by the Company to pursue it. Similarly, a decision to reject a confidential takeover proposal is not generally required to be disclosed.

Where there are indications that confidentiality in relation to an incomplete proposal or negotiation has been lost, it may be appropriate for Alumina to make a holding or preliminary announcement or request a trading halt or voluntary suspension (see section 2.4 of this Schedule, and section 7.2 of Part C).

2.3 Insufficiently definite information or matters of supposition

Information in this category is excluded from disclosure because of its propensity to mislead investors. In some cases, such information may be so uncertain or unclear that it is not market sensitive at all.

Where reliance is placed on this category in relation to particular information, active monitoring is again required by the Company to determine if, and when, that information becomes more than mere supposition, or otherwise becomes sufficiently definite, so as to warrant disclosure.

In relation to this question, ASX policy draws a distinction between:

- a. situations where the likelihood of a matter occurring, or its impact if it does so, is uncertain; and
- b. situations where the Company is aware of information about a known event or circumstance and is aware that that event or circumstance is market sensitive, but time may be required for the Company to put a figure or estimate on its financial impact.

In situations falling within paragraph (b), ASX's view is that the Company must either disclose such information immediately and then make a subsequent announcement once it has clarified the relevant financial impact, or request a trading halt or voluntary suspension if appropriate (see section 7.2 of Part C).

2.4 Confidentiality

The confidentiality limb of the exception to Listing Rule 3.1 will not be satisfied where information has ceased to be, or is not, confidential.

It is therefore essential that information which is to be withheld is and remains subject to strict confidentiality obligations and is not leaked. If information has been leaked, even in breach of a duty of confidentiality, it loses the quality of confidence that attracts the exemption from general disclosure. That information will have to be disclosed if a reasonable person would expect it to have a material effect on the price or value of the Company's securities - regardless of the fact that it falls within any of the categories in paragraph (a) of section 2.4 of Part A (e.g. it is a trade secret or relates to an incomplete proposal or negotiation).

In addition to the relevant information remaining confidential in fact, the confidentiality limb of the exception requires that ASX must not have formed the view that the information has ceased to be confidential. ASX may form this view if there is:

- a. a media or analyst report about the information;
- b. a rumour known to be circulating the market about the information; or
- c. a sudden and significant movement in the market price or traded volumes of the Company's securities that cannot be explained by other events or circumstances.

In these circumstances, ASX may advise the Company that it considers that confidentiality of the information has ceased to exist and therefore require the information to be disclosed. ASX's policy is that it will normally consult first with the Company if it has concerns about loss of confidentiality.

Where confidentiality appears to have been lost on the basis of a report or rumour, Guidance Note 8 indicates that the level of disclosure that ASX will expect from the Company will depend on the details contained in that report or rumour. This may require, for example, confirmation of the existence of negotiations for a proposed transaction but not the details of the deal, if the report or rumour in the market does not refer to those details. If the report or rumour contains inaccurate details, the required response may vary depending on the circumstances – in some cases correction may be required, in other cases a general statement regarding inaccuracy may be all that is necessary. This is, however, subject to the "false market" rule (see section 2.6 of this Schedule).

2.5 "Reasonable Person" criterion

The third of the criteria required to be satisfied in order to rely on the exception to Listing Rule 3.1 is that a reasonable person would not expect the relevant information to be disclosed.

Guidance Note 8 indicates that ASX's view is that this criterion has a very narrow field of operation; in ASX's view it will only not be satisfied if there is something in the surrounding circumstances to displace ASX's general rule that, where both of paragraphs (a) and (b) set out in section 2.4 of Part A are satisfied, the "reasonable person" criterion will also be satisfied.

The two examples ASX has given of such circumstances are:

- a. where an entity has "cherry-picked" its disclosures by disclosing positive information of a particular kind whilst withholding negative information of the same kind; and
- b. where the information needs to be disclosed in order to prevent other information disclosed under Listing Rule 3.1 from being misleading or deceptive.

2.6 Correcting a false market

ASX has the power under Listing Rule 3.1B to require the Company to immediately provide information if ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to provide information to it to correct or prevent a false market. Alumina is required to give ASX this information even if Alumina considers that the exception to disclosure applies (as set out in section 2.4 of Part A).

According to Guidance Note 8, a "false market" is a situation where there is material misinformation or materially incomplete information in the market which is compromising proper price discovery. Such situations may arise where, for example:

- a. a listed entity has made a false or misleading announcement;
- b. there is other false or misleading information, including a false rumour, circulating in the market; or
- c. a segment of the market is trading on the basis of market sensitive information that is not available to the market as a whole (such as where confidential information has leaked – see also section 2.4 of this Schedule).

In the case of paragraphs (b) and (c) above, ASX is more likely to consider that there is or is likely to be a false market in the Company's securities if there is a reasonably specific and credible rumour or media or analyst report (whether accurate or not) in relation to the Company that has not been confirmed or clarified by an announcement to the market, and there is evidence that the rumour or report is having, or ASX forms a view that the rumour or report is likely to have, a material impact on the market price or traded volumes of the Company's securities.

If ASX forms the view that there is a false market in the Company's securities, it will normally consult first with the Company to determine whether its suspicions have any basis. Guidance Note 8 indicates that the action ASX may then require the Company to take will depend on the circumstances. For example, if a report/rumour is wholly accurate, a confirmation or more detailed announcement may be required. If there are only partially accurate details in the market, a correction or more detailed announcement may be required, while if the report/rumour is wholly inaccurate, the Company may have to issue a denial.

In the absence of evidence of a false market in the Company's securities or a request by ASX to correct or prevent a false market, Alumina's general policy is not to comment on market speculation or rumours that are not credible and not reasonably specific.

2.7 Forward-looking statements

The US securities laws have a "safe harbour" which provides protection from liability for forward-looking statements that are identified as forward-looking and accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ. The "safe harbour" can be used for both oral and written statements.

To receive the benefit of the “safe harbour” protection, Alumina should do the following:

- Include a “safe harbour” legend in press releases, presentations and other documents that contain forward-looking statements.
- Read aloud a cautionary statement or the key components of the cautionary statement regarding forward-looking statements prior to beginning any oral presentation or conference call with investors and analysts, as well as in one-on-one meetings with analysts.
- Monitor its disclosure and maintain comprehensive risk factor type disclosure in its filings with the US Securities and Exchange Commission.

In line with ASIC and ASX guidance, Alumina should also include in any announcement containing forward-looking statements details of the material assumptions or qualifications underpinning such statements.

3. Contravention and Liability

3.1 Contravention

Alumina will contravene its continuous disclosure obligation if it fails to notify ASX of information required by Listing Rule 3.1 to be disclosed.

If Alumina contravenes this obligation by failing to notify ASX of information, Alumina may be guilty of an offence under section 674 of the Corporations Act.

3.2 Liability

If the Company contravenes its continuous disclosure obligations, it may face criminal and civil liability under the Corporations Act. ASIC can also institute proceedings under the ASIC Act 2001 (Cth). The Corporations Act also empowers ASIC to issue infringement notices for contraventions of the continuous disclosure obligations (see section 3.3 of this Schedule), imposing penalties (in Alumina's case) of \$100,000 for each infringement.

Alumina's officers, including its directors, employees or advisers who are involved in a contravention by the Company may face civil liability and, if they aid or abet or are in any way knowingly concerned in the Company's contravention, may be criminally liable under the Criminal Code Act 1995 (Cth).

3.3 Infringement notices and statements of reasons

If ASIC has reasonable grounds to believe that Alumina has contravened its continuous disclosure obligations, ASIC may issue an infringement notice to the Company, providing (among other things) details of the alleged contravention and specifying the penalty. Before issuing the infringement notice, ASIC must:

- give Alumina a written statement of reasons; and
- give a representative of Alumina an opportunity to appear at a private hearing before ASIC in order to give evidence and make submissions to ASIC in relation to the alleged contravention.

If an infringement notice is issued to Alumina, Alumina may:

- pay the penalty specified in the infringement notice and lodge the requisite notification with ASX; or
- seek an extension of the 28 day compliance period; or
- make written representations to ASIC seeking withdrawal of the infringement notice (and, if appropriate, seeking refund of any penalty paid in accordance with the infringement notice); or
- decline to satisfy the infringement notice within the compliance period.

3.4 Response procedures to infringement notices and statements of reasons

If any written statement of reasons or infringement notice issued to Alumina by ASIC is received on behalf of Alumina by a director or employee other than the General Counsel and Company Secretary, it must be reported immediately to the General Counsel and Company Secretary.

If Alumina receives an infringement notice or statement of reasons, the General Counsel and Company Secretary (in consultation with the Disclosure Committee and the Board where appropriate) must oversee Alumina's response, including approving any notifications, requests or written representations made by Alumina in relation to the notice.

3.5 Roles and responsibilities of ASX and ASIC

ASIC and ASX jointly administer the continuous disclosure regime for listed disclosing entities in Australia. ASX is responsible for administering the Listing Rules while ASIC is responsible for enforcing the Corporations Act (including, most relevantly, Section 674 of the Corporations Act).

3.6 Unwanted publicity

Contravention of its continuous disclosure obligation may also lead to unwanted publicity for Alumina.

4. Other Specific Disclosure Requirements

In addition to complying with Listing Rule 3.1, Alumina also needs to comply with other disclosure requirements contained in the ASX Listing Rules.

For example, the Listing Rules require disclosure of:

- a. General meeting – the date of a general meeting at which directors may be elected (Listing Rule 3.13.1);
- b. Announcement – the contents of any prepared announcement (such as the Chairman's speech) that will be delivered at a general meeting (Listing Rule 3.13.3);
- c. General meeting resolutions – the outcome of all resolutions put to a general meeting of the Company (Listing Rule 3.13.2);
- d. Proposed capital reorganisation or issue of securities – a proposed reorganisation of the capital of the Company (for example, capital reductions and capital reconstructions) or the proposed issue by the Company of securities (for example, a new share issue) (Listing Rule 3.10.1 and 3.10.3);
- e. Dividends – any decision to pay or not pay a dividend (Listing Rule 3.21);
- f. DRPs – the establishment, amendment, deactivation or reactivation of any dividend plan (Listing Rule 3.10.8);
- g. Constitution – any proposed amendments to the Constitution of the Company (Listing Rule 15.1.1);
- h. Office bearers – changes in directors, Chief Executive Officer, Chairman, Company Secretary or Auditor (Listing Rule 3.16.1 and 3.16.3);
- i. Offices – any change to the address, telephone number or facsimile number of a registered office or principal administrative office (Listing Rule 3.14);
- j. Documents sent to or received from security holders – a copy of any document sent to holders of securities in a class and any document received about a substantial holding of securities that reveals materially different information to the current information the Company has (if any) must be provided (Listing Rule 3.17.1 and 3.17.2);
- k. Shareholder requisitions – information about the material terms of any notice received under specified provisions of the Corporations Act or the Company's constitution calling, or requesting the calling of, or proposing to move a resolution at, a general meeting (Listing Rule 3.17A.1);
- l. Financial documents given to an overseas stock exchange – any document the Company gives to an overseas stock exchange on which it is listed (such as the NYSE), containing accounts or similar financial information that are not materially the same as another document already given to ASX (Listing Rule 3.17B);
- m. Disclosure documents, Product Disclosure Statements and information memoranda – lodging of a disclosure document or PDS or issuing of an information memorandum (the disclosure document or PDS must be given to ASX immediately after it is lodged with ASIC and a copy of the information memorandum must be given to ASX before it is issued) (Listing Rule 3.10.4);
- n. Disclosure of employment, service and consultancy agreements – the material terms of any employment, service or consultancy agreement with the Chief Executive Officer, a director of the Company or any related party of the Chief Executive Officer or any director, and details of any material variation to such terms (Listing Rule 3.16.4).

Alumina is required to lodge all announcements to ASX electronically (Listing Rule 15.3(a)).