



Document No.: APC-CP-BG-PY-0003

Continuous Disclosure Policy

Rev	Date	Description	By	Check	Approved
A	23/09/2021	Issued for Use	M Blandford	M Shackleton	Board of Directors

1. PURPOSE

Australian Potash Limited (**APC or the Company**) has a commitment to upholding a high standard of corporate governance practices. Recommendation 5.1 of the *ASX Corporate Governance Council Corporate Governance Principles & Recommendations – 4th edition* is for a listed entity to “have and disclose a written policy of complying with its continuous disclosure obligations under ASX listing rule 3.1”. This Policy is designed to assist the Company in meeting this governance obligation.

The purpose of this Policy is to:

- (a) ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules and as much as possible seeks to achieve and exceed best practice;
- (b) provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
- (c) promote investor confidence in the integrity of the Company and its securities.

2. SCOPE

This Policy applies to the Board and senior executives of the Company who are responsible for the Company’s disclosure to the ASX.

The Policy is subject to change from time to time at the Company’s discretion and in accordance with applicable laws. This Policy is authorised by the Board of the Company and cannot be amended without the prior approval of the Board.

3. OBJECTIVE

To ensure that the Company meets its corporate governance obligations to have a written policy for continuous disclosure.

4. DEFINITION & ACRONYMS

APC or the Company	Australian Potash Limited and its subsidiaries
ASX	Australian Securities Exchange
Board	Board of Directors of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
material price sensitive information	Any information concerning the Company which would, or would be likely to, influence investors in deciding whether to acquire or sell the Company’s securities

5. LEGAL REQUIREMENTS

The Company is a public company which is listed on the ASX. It is subject to continuous disclosure requirements under the Corporations Act and the ASX Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to the periodic and specific disclosure requirements.

5.1 The Rule

The primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

“Once an entity 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 the entity’s securities, the entity must immediately tell the ASX that information.”

5.2 The Exception

Listing Rule 3.1A contains the only exception to Listing Rule 3.1:

“Listing Rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information.

3.1A.1 *One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

5.3 Disclose to ASX first

ASX Listing Rule 15.7 further requires that an entity must not release information that is for release to the market to anyone until it has given the information to ASX, and has received an acknowledgement from ASX that the information has been released to the market.

5.4 What is material price sensitive information?

Section 677 of the Corporations Act states that, a reasonable person would be taken to expect information to have “a material effect on the price or value” of securities if the information “would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of” those securities.

5.5 Correction of false market

Listing Rule 3.1B provides that “if ASX considers that there is or is likely to be a false market in an entity’s securities and asks the entity to give it information to correct or prevent a false market, the entity must immediately give ASX that information”.

To minimise the potential for a false market, the Company will monitor share price movements to identify any unusual fluctuations which may signal a possible leakage of material price sensitive information. The Managing Director & CEO or Company

Secretary is to be notified immediately of any suspicious share price movement activity. In the event of an inadvertent leakage, an appropriate announcement will be immediately made to the ASX.

The Company has in place appropriate procedures to enable it to request from the ASX a trading halt in the event that any disclosable information cannot be released to the market immediately.

5.6 Compliance with spirit of continuous disclosure

ASX Guidance Note 8 states that:

“Listing Rules 3.1, 3.1A and 3.1B form an integrated set of rules intended to strike an appropriate balance between the interests of the market in receiving information that will affect the price or value of, or which is needed to correct or prevent a false market in, an entity’s securities at the earliest reasonable time, and the interests of the entity in not having to disclose information prematurely or where it would be clearly inappropriate to do so.

“...the interests of the market will prevail.

“...It is the entity, and only the entity, that can and must form a view as to whether the information it knows, and the rest of the market does not, is market sensitive and therefore needs to be disclosed under Listing Rule 3.1.”

The rules express broad principles that cannot be defined with absolute clarity and must be complied with in the ‘spirit’ of continuous disclosure. Listing Rule 19.2 makes it clear that the ASX Listing Rules should not be interpreted in a restrictive or legalistic fashion. Listing Rule 19.2 states:

“An entity must comply with the listing rules as interpreted:

- *in accordance with their spirit, intention and purpose;*
- *by looking beyond form to substance; and*
- *in a way that best promotes the principles on which the listing rules are based.”*

5.7 Other Reporting

In addition to its continuous disclosure obligations under Chapter 3 of the ASX Listing Rules, the Company must also meet the requirements of Chapter 4 of the ASX Listing Rules in relation to periodic disclosure. As a mining exploration entity, further obligations exist under Chapter 5 regarding reporting specific to mining and exploration activities.

6. DISCLOSURE PRINCIPLE

The Company will immediately notify ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company’s securities, unless exempted by the ASX Listing Rules. The Company’s securities include all shares, options and rights issued and granted by the Company.

6.1 Disclosure of material price sensitive information

Any material price sensitive information must be disclosed to ASX in accordance with this Policy, and the Company's *External Communication Releases Policy & Procedures (APC-CP-IV-PY-0001)*. The Managing Director & CEO, in consultation with the Company Secretary, is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the full Board will be consulted, and if necessary, will seek external advice.

The following provides a guide as to the type of information that is likely to require disclosure. This is not an exhaustive list. The determination of whether certain information is material price sensitive which is subject to continuous disclosure necessarily involves the use of judgement. There will inevitably be situations where the issue is less than clear. Matters which generally require disclosure include:

- (a) significant exploration or mining results;
- (b) a change in the quantum or nature of the Company's Mineral Resources and/or Ore Reserves;
- (c) a change in the Company's financial forecasts or expectations. As a guide, a variation in excess of 10% may be considered material. If the Company has not made a forecast, a similar variation from the previous corresponding period may be considered material;
- (d) a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- (e) changes in the Board of Directors, senior executives or auditors;
- (f) a change in the Company's accounting policy;
- (g) an agreement between the Company (or a related party or subsidiary) and a director (or a related party of the director);
- (h) events regarding the Company's shares, securities, financing or any default on any securities (eg. under or oversubscriptions to an issue of securities, share repurchase program);
- (i) giving or receiving a notice of intention to make a takeover offer;
- (j) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- (k) mergers, acquisitions/divestments, joint ventures or changes in assets;
- (l) significant developments in regard to new projects or ventures;
- (m) major new contracts, orders or changes in suppliers or customers;
- (n) legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company;

- (o) natural disasters or accidents that have particular relevance to the businesses of the Company; or
- (p) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries.

In addition, the Company is required to make specific disclosures for:

- (a) takeovers;
- (b) share buy-backs;
- (c) capital reorganisations;
- (d) calls on partly paid shares;
- (e) issues and proposed issues of securities and any associated documents;
- (f) the exercise by an underwriter of a right to avoid or change underwriting obligations;
- (g) trigger events for convertible securities and changes in option terms;
- (h) release of securities from voluntary escrow;
- (i) documents distributed to security holders;
- (j) dividend or distribution plan establishment or amendment or dividend payments;
- (k) any substantial holder advice;
- (l) material changes to the securities trading policy;
- (m) shareholder meetings for the appointment of directors;
- (n) results of shareholder meetings;
- (o) changes of directors, CEOs, company secretary and auditor;
- (p) changes of material terms of employment arrangements with CEO, directors or their related parties;
- (q) change of directors' interests; and
- (r) changes of address, telephone or facsimile number of registered or principal administrative office or a change of address of register of securities.

6.2 Recording of Disclosure Decision Making

The Company must ensure that the process for review of specific information and the decision on disclosure is properly recorded. If appropriate, in recognition of the fact that sometimes the decision whether to disclose information can be difficult, where a decision not to disclose is made, a record of this and the reason why, will be kept.

6.3 Safeguarding Confidentiality

The ASX acknowledges that there needs to be a balance sought between encouraging timely disclosure of material information and preventing the premature disclosure of incomplete or indefinite information, which may lead to a false market.

The Company Secretary is to ensure that non-disclosure or confidentiality agreements are entered into by the other parties to a material transaction and any other recipients of any confidential information in relation to a material transaction. When the Company enters into a material transaction that may constitute material price sensitive information, the Company Secretary must remind all parties, including Company employees, of the confidential nature of the transaction and the consequences of failing to comply with disclosure obligations.

6.4 Media Contact and Comment

To control the Company's material price sensitive information, only the Managing Director & CEO is authorised by the Company to speak to the media.

All personnel must ensure that they comply with the Company's *Code of Conduct (APC-CP-BG-CO-0001)* and any other policies in respect of media contact and comment.

6.5 Information Provided to Analysts/Brokers

The Managing Director & CEO is to ensure that any material price sensitive information inadvertently provided to brokers, analysts or other parties is announced immediately through the ASX for release to the market. The Managing Director & CEO is to review any information that is to be provided to analysts to assess whether the information is potentially disclosable. If it is determined that the information requires prior disclosure to the market, the appropriate announcement must be immediately made to the ASX.

6.6 Board Notification

The Company Secretary is to ensure that the Company's continuous disclosure obligation is a standing item for each Board meeting. At each meeting the Board should:

- (a) note all announcements made to the ASX since the last Board meeting and decide whether any additional information concerning those announcements needs to be disclosed to the ASX; and
- (b) consider if any other information requires disclosure to the market or should be flagged for potential disclosure.

The Company Secretary is to identify any potential material price sensitive information by reviewing the Company's operating report/s, financial report/s and minutes of the Board on a regular basis.

7. CONTINUOUS DISCLOSURE PROCEDURES

The Company has in place a written policy on information disclosure and relevant procedures (refer the *External Communication Releases Policy & Procedures (APC-CP-IV-PY-0001)*). A focus of these procedures is on continuous disclosure compliance and improving access to information for investors.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX. The importance of safeguarding the confidentiality of corporate information to avoid premature disclosure is paramount.

7.1 Responsibility of the Company Secretary

The Company Secretary is responsible for:

- (a) overseeing and co-ordinating disclosure of information to the ASX and shareholders;
- (b) providing guidance to directors and employees on disclosure requirements and procedures; and
- (c) keeping and maintaining files which accurately record disclosure materials, as well as the relevant ASX Listing Rules and guidance notes.

7.2 ASX Announcements

All announcements (and media releases) must be:

- (a) prepared in compliance with ASX Listing Rules' continuous disclosure requirements;
- (b) factual and not omit material information; and
- (c) expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions.

The Company's protocol in relation to the review and release of ASX announcements (and media releases) is as follows:

- (a) All key announcements, at the discretion of the Managing Director & CEO, are to be circulated to and reviewed by all members of the Board.
- (b) All members of the Board are required to provide the Managing Director & CEO (or the Company Secretary) with verbal or written confirmation of each key announcement, prior to its release. Where the urgency of the subject matter precludes reference to the full Board, an announcement within this category may be approved by the Directors who are available. It is specifically acknowledged that where a continuous disclosure obligation arises, disclosure cannot be delayed to accommodate the availability of Board members.
- (c) Any relevant parties named in the announcement should also be given the opportunity to review the announcement prior to its release, to confirm all information is factually correct.

All members of the Board will receive copies of all material market announcements promptly after they have been made.

Information is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

The Company Secretary is to maintain a copy of all announcements released.

7.3 Analyst Reports

The Company holds briefing sessions with analysts and investors. Only authorised Company spokespersons may conduct such sessions and all sessions will be conducted in accordance with the Company's continuous disclosure obligations.

Any new and substantive investor or analyst presentation will be released on the ASX Market Announcements Platform ahead of the presentation. Where practicable, the Company should consider providing shareholders the opportunity to participate in such presentations.

8. REFERENCES

- ASX Corporate Governance Council Corporate Governance Principles & Recommendations – 4th edition
- ASX Listing Rules – particularly *Chapter 3 – Continuous Disclosure* and *Guidance Note 8 – Continuous Disclosure: Listing Rules 3.1-3.1B*
- *Corporations Act 2001 (Cth)* – particularly *Chapter 6CA – Continuous disclosure*
- Governance Institute of Australia – *Good Governance Guide: Disclosure and communications policy*