

# EMPIRE RESOURCES LTD

## Continuous Disclosure and Market Communications Policy

### 1. Introduction

This policy applies to Empire Resources Limited and all of its subsidiaries (Empire). Empire is committed to:

- complying with its continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act;
- preventing the selective or inadvertent disclosure of material price sensitive information; and
- ensuring that shareholders and other market participants and interested parties are provided with equal and timely access to material information about Empire.

### 2. Scope

This policy outlines the processes followed by Empire to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by Empire in its market communications practices.

### 3. Continuous disclosure obligations

Empire operates under an ASX and ASIC regulatory environment including specific rules which are in place to ensure an informed market.

#### a) ASX Listing Rule 3.1

ASX Listing Rule 3.1 requires Empire to immediately notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities (Material Information) that does not fall within the specific exceptions noted below.

A reasonable person would expect information to have a material effect on the price or value of Empire's securities if the information would, or would be likely to, influence an investor in deciding whether to buy, hold or sell Empire securities.

Information extends beyond pure matters of fact and includes matters of opinion and intention. Whether information is Material Information and required to be disclosed is an objective test and the fact that an officer of Empire may honestly believe that information is not Material Information will not avoid a breach of Listing Rule 3.1, if that view is ultimately found to be incorrect.

The requirement in Listing Rule 3.1 to disclose information to ASX immediately does not mean instantaneously, but means "promptly without delay", doing it quickly as it can be done in the circumstances and not deferring, postponing or putting it off for a later time.

Empire will not release Material Information that is required to be given to ASX under Listing Rule 3.1 to an external party except where that information has first been disclosed to ASX and Empire has received an acknowledgement from ASX that the information has been released to the market generally.

If Empire becomes aware that Material Information has been released to a section of the public before it has been given to ASX under Listing Rule 3.1, Empire must immediately give that Material Information to ASX for release to the market.

**b) Exceptions to Listing Rule 3.1**

Under Listing Rule 3.1, Empire is not required to disclose Material Information if each of the following is satisfied in relation to the information:

- one or more of the following applies:
  - i. it would breach 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 internal management purposes; or
  - v. the information is a trade secret; and
- the information is confidential; and
- a reasonable person would not expect the information to be disclosed.

**c) Listing Rule 3.1B**

Under Listing Rule 3.1B, the ASX may ask Empire to make an announcement because of a sudden and significant movement in the market price or trade volumes of Empire's securities or otherwise to correct or prevent a false market in Empire's securities. If Empire is not in a position to issue an announcement straight away, it should consider requesting a trading halt. See below concerning trading halts.

**4. Disclosure Committee**

The Board is responsible for Empire's compliance with its continuous disclosure obligations. A Disclosure Committee has not at this been established to assist with the effective implementation of this policy, however the Board currently fulfils the Disclosure Committee obligations. Written communication in relation to Disclosure Committee obligations will be by way of email correspondence between the Board and Company Secretary.

The Disclosure Committee would normally comprise the Managing Director and the Company Secretary. An Investor Relations Advisor may also be included in any discussions and decisions of the Disclosure Committee. Membership of the Disclosure Committee will be reviewed from time to time and may be changed by the Committee.

The Disclosure Committee will meet as and when needed in order to ensure that Empire discharges its obligations with regard to continuous disclosure, including where Material Information requires

immediate disclosure. Senior managers are responsible for identifying and communicating potentially Material Information from their areas of operation to the Disclosure Committee. Other than as noted in this policy, the Disclosure Committee will review potentially Material Information notified to it and form an opinion on whether the information must be disclosed to ASX or whether it falls within the disclosure exception in the Listing Rules. In making its determination the Disclosure Committee may seek the advice of Empire's investor relations advisor(s) and/or external legal counsel.

Records of the proceedings of the Disclosure Committee are maintained by the Company Secretary.

The Managing Director (as representative of the Disclosure Committee) regularly reports to the Board in relation to investor relations and market communication matters.

## **5. Authorised Representatives**

The Disclosure Committee may delegate aspects of the administration of this policy to members of the Committee and to other employees or advisors of Empire (e.g. investor relations advisor). The delegation may be general or specific to a particular matter.

The Company Secretary is responsible for communications with representatives of ASX.

## **6. ASX announcements: Significant Announcements**

The Board approves announcement to ASX of the annual and half year financial reports, key information that needs to be disclosed to the market relating to financial projections, statements as to future financial performance and/or significant changes to the strategy of Empire and other materially significant matters (Significant Announcement).

Where the urgency of the subject matter of a Significant Announcement precludes reference to the full Board, a Significant Announcement may be approved by the Directors who are available, acting in conjunction with the Disclosure Committee. It is specifically acknowledged that where a continuous disclosure obligation arises, disclosure cannot be delayed to accommodate the availability of Board members or members of the Disclosure Committee.

Significant Announcements of a recurring nature, such as half year and end of year results, are as a matter of course presented for consideration by the full Board prior to their release to the market.

Certain statutory filings (such as, ASX Appendix 3B, new issue announcement; ASX Appendix 3Y, change in director's interest notice and Notice of Annual General Meeting) are not covered by this policy. These statutory filings will be prepared and lodged with ASX by the Company Secretary.

## **7. Media Releases**

Empire may issue media releases advising of specific information that is not required to be disclosed under the Listing Rules. Approval of the issue of such media releases will be by the Managing Director.

## **8. Rumours and market speculation**

Empire's general practice, which must be observed by all Empire personnel, is not to comment on market speculation or rumours, unless required to do so by law or ASX or where the speculation or rumours contain material errors, which Empire considers could materially adversely impact on Empire.

The Managing Director (or his/her delegate) will decide if a comment is to be made in response to market speculation or rumours. Any Empire personnel who receive a request for comment on Empire's affairs from an external third party must refer the enquiry to the Managing Director or the Managing Director's nominee (e.g. Investor Relations Advisor).

Empire will use reasonable endeavours to safeguard and otherwise keep confidential all potentially Material Information so as to avoid, to the extent possible, premature disclosure of such information.

## **9. Trading halts and blackout periods**

At times it may be necessary for Empire to request a trading halt from ASX to prevent the emergence of a false or uninformed market for Empire's securities and to manage disclosure issues. Any decision to request a trading halt will be made by the Managing Director in consultation with the Chairman or if the Chairman is not available one of the Non-Executive Directors.

Empire may impose communication 'blackout' periods from time to time during which Empire will not hold briefings (other than to discuss matters that have been announced to ASX), such as a blackout period during the 14 days prior to release of both half year and full year financial results.

## **10. Guiding principles for market communications**

Empire recognises the importance of regular and proactive interaction with the market in order to ensure Empire's investors remain fully informed about its activities. As well as market announcements, this interaction can be in the form of group or one-on-one briefings with investors and analysts, and presentations at industry conferences.

Empire will adhere to the following guiding principles for market communications:

- Empire must not provide Material Information to an external party except where that information has previously been disclosed to the market;
- timely and accurate information must be provided equally to all shareholders and market participants; and

- information must be disseminated by channels prescribed by laws and other channels which Empire considers to be fair, timely and cost-efficient.

All market communications must be:

- factually accurate and presented in a clear format;
- to the extent applicable, include all information material to investors' consideration of the impact of the announcement on their investment decision; and
- reviewed by a member of the Disclosure Committee (together with external advisers if the reviewer considers it necessary or appropriate) to consider whether any Material Information will be disclosed in the communication and ensure that information has gone to ASX first.

#### **11. Authorised spokespersons**

The only persons authorised to make public statements to the market on behalf of, or attributable to, Empire are:

- Chairman of the Board; and
- Managing Director

Other Empire personnel must not issue any public statement to any external party in any format without explicit prior approval from the Managing Director (or his/her delegate). Any such statement must be reviewed by the Managing Director (and others as the Managing Director considers necessary or appropriate) prior to release.

#### **12. Analyst Reports and Forecasts**

It is the policy of Empire not to comment on, or endorse analysts' reports or forecasts other than where necessary or appropriate for example, to correct material inaccuracies or where an analyst's forecast fails to take into account Material Information previously released by Empire.

#### **13. Individual Briefings**

Individual or one-on-one briefings with analysts and/or investors may be held to discuss information previously disclosed to the market or general non-company specific information concerning industry trends and conditions. No Material Information will be disclosed during such briefings until that information has been disclosed to ASX.

Where a question raised in a briefing can only be answered by disclosing new Material Information, the relevant person must decline to answer the question until Empire announces the information through ASX.

It is desirable that all briefings be attended by at least 2 representatives of Empire and notes must be taken of proceedings at the briefing (and kept for a reasonable period of time). If following a briefing it is suspected that Material Information has been inadvertently disclosed at the briefing, the procedure set out in Part 3(a) of this policy will be followed in respect of that information.

#### **14. Publication**

Following receipt of confirmation of lodgement of an announcement with ASX, all Material Information disclosed to ASX will be promptly placed on Empire's website.

External presentation materials that have an analyst or investor focus will be disclosed to ASX and placed on Empire's website. Presentations that contain materially the same information as those already disclosed to the ASX but have been tailored for a specific meeting will not be disclosed to the ASX.

The Board is provided with copies of all information disclosed to ASX directly through ASX.

#### **15. Monitoring Compliance**

The Disclosure Committee will be responsible for monitoring the disclosure practices of Empire and compliance with this policy generally. The members of the Disclosure Committee will be responsible for promoting amongst personnel an understanding of the principles underlying continuous disclosure, Empire's disclosure obligations under the ASX Listing Rules and the need for compliance with this policy.

#### **16. Breach of policy**

Strict compliance with this policy is mandatory. Breaches will be taken seriously and may be subject to disciplinary action, up to and including termination of a person's employment or appointment.

#### **17. Policy reviews**

This policy may be reviewed by the Board from time to time and any proposed amendments approved by the Board.