



# MORETON RESOURCES LTD

## EXTERNAL COMMUNICATIONS POLICY

May 2016

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Moreton Resources Ltd (**Moreton** or **the Company**) is committed to:

- ensuring that all market participants have an equal opportunity to review and assess material information made available by the Company; and
- compliance with the continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001* (Cth) (**the Act**).

This document sets out the Company's External Communications Policy which encompasses:

- The Company's continuous disclosure obligations under the ASX Listing Rules and Corporations Act;
- how Moreton Personnel are required to deal with potentially price-sensitive information, and communications with external stakeholders such as the media, security holders and the community to ensure that the Company meets its continuous disclosure obligations; and
- the key aspects of the Company's investor relations program which has been designed to facilitate effective two-way communication with investors.

The Policy applies to:

- all Directors of Moreton; and
- all employees, contractors and consultants of Moreton.

together referred to as **Personnel**.

## 1. Continuous Disclosure

Appendix A provides an overview of the continuous disclosure process.

### 1.1 Moreton's Continuous Disclosure Obligation

ASX Listing Rule 3.1 requires Moreton to immediately disclose to the market any information concerning the Company of which it is or becomes aware that a reasonable person would expect to have a material effect on the price or value of the Company's securities (**Price Sensitive Information**), unless the information falls within the exceptions set out below.

For the purposes of Listing Rule 3.1:

- a reasonable person would expect information to have a material effect on the price or value of Moreton's securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether to subscribe for, acquire or dispose of Moreton's securities;  
Two questions can be considered when determining whether information may be Price Sensitive Information:
  1. Would this information influence my decision to buy or sell securities in the Company at their current market price?
  2. Would I feel exposed to an action for insider trading if I were to buy or sell securities in the entity at their current market price, knowing this information had not been disclosed to the market?
- Moreton will be considered to have become aware of information where a director or officer of the Company has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or officer of Moreton; and

- “Immediately” means promptly and without delay, i.e. doing it as quickly as possible in the circumstances and not deferring, postponing or putting it off to a later time.

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.

## **1.2 Exceptions to Listing Rule 3.1**

Moreton is not required to disclose Price Sensitive Information if:

- (a) one or more of the following situations applies:
  - it would be a breach of the 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 internal management purposes; or
  - the information is a trade secret; and
- (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.

If any of the three elements outlined above ceases to apply in relation to Price Sensitive Information, Moreton must disclose that information immediately.

## **1.3 False Market Obligation**

If ASX considers that there is, or is likely to be, a false market in the Company’s securities and asks Moreton to give it information to correct or prevent a false market, Moreton must immediately give that information to ASX. This obligation to give information to ASX arises even if the Company considers that the exception outlined in paragraph 1.2 applies.

## **1.4 Confidentiality**

If information is not disclosed in reliance on the confidentiality exceptions as outlined above, the confidentiality requirement must be maintained at all times. If information loses its confidentiality, Moreton will then need to consider and determine whether the information needs to be disclosed to the market. If a movement in the price of Moreton’s securities is related to the unauthorised disclosure of confidential information, the Company may be required by ASX to take action to ensure Moreton is in compliance with its disclosure obligations, specifically to prevent a false market.

All employees and Directors of Moreton have a duty not to disclose confidential information to any person other than with the express consent of the Company or in circumstances required by the law. This obligation is set out in the Moreton’s Code of Conduct which is to be observed by all Personnel.

Where confidential information is to be provided to another party, measures must be put in place to ensure that the confidentiality of the information is maintained, such as a legally binding confidentiality agreement.

## 1.5 Policy

### 1.5.1 Overview

The Managing Director is primarily responsible for ensuring that this Policy is implemented and enforced, and that all required Material Information is disclosed to the ASX as required by the Act and the Listing Rules.

The Managing Director has been designated as the person responsible for communication with ASX in relation to ASX Listing Rule matters under Listing Rule 12.6. For the purposes of this Policy, the Managing Director is the person authorised to speak to the ASX or externally (e.g. analysts, investors, brokers, shareholders or the media) in relation to Moreton's affairs<sup>1</sup>.

### 1.5.2 Responsibilities of Directors, Executives & Employees

Listing Rule 3.1 applies to information that a Director or Executive Officer has in his or her possession, or ought reasonably to have in their possession. This means that Directors and Executive Officers must ensure they are up to date on all matters within their responsibility, so that the Company has sufficient information to manage its continuous disclosure obligations.

If an Employee becomes aware of a matter that may require disclosure, or is unsure whether information may be Material Information, they should immediately consult the Managing Director or Company Secretary.

Employees must ensure that the confidentiality of any information concerning Moreton is maintained. If information loses confidentiality, Moreton will then need to consider whether the information must be disclosed to the ASX.

### 1.5.3 Breach – Offences, Infringement Notices and Liabilities

A breach of the continuous disclosure provisions of the Act is both a criminal and civil offence.

In addition, the Australian Securities and Investments Commission (ASIC) may issue an Infringement Notice for an alleged contravention of the continuous disclosure provisions under section 1317DAC of the Act.

A person who is involved in any contravention by Moreton of its continuous disclosure obligations also commits a civil offence. However, a person will not be liable if the person can prove that they:

- a. took all steps (if any) that were reasonable in the circumstances to ensure that Moreton complied with its continuous disclosure obligations; and
- b. after doing so, believed on reasonable grounds that Moreton was complying with its obligations.

A third party who incurs a loss as a result of a breach of Moreton's continuous disclosure obligations may also commence action against Moreton.

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<sup>1</sup> The Managing Director may delegate authority to specified persons such as a corporate communications representative.

## **1.6 Types of Information that May Require Disclosure**

### *1.6.1 Types of Information*

For assistance in determining if information is Material Information, Employees are to refer to the Managing Director and/or Company Secretary or the Chair if various types of information may be material and therefore may be required to be disclosed.

As a guide, the following types of information may be Material Information and therefore may be required to be disclosed:

- a. the financial results of the Company;
- b. projections of future earnings or losses;
- c. material changes in Moreton's financial forecasts;
- d. a decision to pay, or a decision not to pay, a dividend;
- e. the making of a share, option or debt issue and the under or over subscription of that issue;
- f. acquisitions, mergers, sales, joint ventures or takeovers;
- g. information about Moreton's business direction, investments or asset purchases or sales;
- h. regulatory decisions or incidents that may affect Moreton's ability to carry on normal operations;
- i. the threat, commencement or settlement of any material litigation or claim;
- j. the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- k. the appointment of a liquidator, administrator or receiver;
- l. an agreement between Moreton (or a related party or subsidiary) and a Director (or related party of the Director);
- m. any rating applied by a rating agency to Moreton or its securities and any change to such a rating;
- n. a material change in accounting policy adopted by Moreton;
- o. a proposal to change Moreton's external auditors;
- p. changes in senior management; and
- q. the health or capacity of any Director.

It should be noted that the above list is not an exhaustive one. There are many other matters which may give rise to Material Information. Where an Employee is in any doubt as to whether information is material, they must forward it to the Managing Director and/or the Company Secretary, or in their absence the Chair.

### *1.6.2 Market Speculation & Rumours*

It is Moreton's policy not to comment on speculation or rumours unless a response is required by law or the ASX Listing Rules. It is also Moreton's policy not to comment on or endorse financial forecasts published by third parties. In certain circumstances Moreton may decide to issue an ASX announcement correcting misinformation or if it believes that an announcement is in the best interests of the Company and its shareholders.

## **1.7 Specific Price-Sensitive Information**

During Black Out Periods and Other Black Out Periods as defined in the Company's Securities Trading Policy, the Company will not hold any briefings with the investment community to discuss the Company's financial information.

Moreton Personnel must comply with the Moreton Securities Trading Policy, which includes provision that Designated Persons (as defined in the Policy) may not deal in the Company's securities during Black Out Periods.

Where the Company is undertaking a specific corporate transaction which constitutes Price Sensitive Information, the Company will obtain assurances from third parties to ensure that any Price Sensitive Information remains confidential, including where necessary requiring parties to enter into confidentiality agreements.

## **1.8 Communications with Third Parties**

The Company communicates from time to time with members of the investment community including institutional and retail investors, analysts and investment banks. These communications are restricted to appropriately authorised Moreton spokespersons.

Material or Price Sensitive Information will not be provided to or discussed with members of the investment community before it has been disclosed to ASX. If there is any possibility that material or Price Sensitive Information will be disclosed at a briefing for members of the investment community, then the relevant material information will be disclosed to ASX prior to the briefing.

With the exception of briefings that are open and have previously been disclosed to ASX, if any material or Price Sensitive Information that has not already been disclosed has been inadvertently disclosed, the information will be immediately disclosed to ASX and posted on the Moreton website.

All enquiries from the investment community regarding Moreton should be referred to the Managing Director.

Communications with the media and responses to media inquiries are also restricted to persons authorised for that purpose. All media inquiries should be directed to the Managing Director at first instance.

If a person connected with Moreton receives a request for comment from a third party, that person must advise the third party that they are not authorised to speak on behalf of Moreton and if appropriate, refer the inquiry to the Managing Director.

Moreton directors and employees are not permitted to discuss Moreton on social media such as stock market forums. Moreton may monitor identified relevant social media when a market sensitive announcement is pending.

## **1.9 Procedures for Determining if Disclosure is Required**

### *1.9.1 Determining Material and Non-Material Information*

As required by Section 1.6 of this Policy, full details of all actual or possible Material Information must be immediately sent to the Managing Director and/or Company Secretary or another Non-Executive Director, or in their absence the Chair <sup>2</sup>.

Upon notification of any Material Information, the Managing Director will immediately review the information and form an opinion on whether the information must be disclosed to the ASX. There are three alternatives:

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<sup>2</sup> A reference to the Managing Director in this paragraph includes a reference to the Chair, where the Managing Director is not available.

- a. The Managing Director believes the information is material and must be disclosed to the ASX. The Managing Director must immediately discuss the matter with the Chair. Wherever time permits, all Directors will review and provide input to any draft announcement. Following any possible input by the Directors, the Managing Director must then arrange for the finalised announcement to be disclosed via the ASX and immediately forwarded to all Directors.
- b. The Managing Director believes the information is either not material or does not have to be disclosed because it is covered by the exemption in Listing Rule 3.1A.

If this decision is contentious in any way, the Managing Director must discuss the decision with the Directors. The Managing Director must then prepare a file note containing the reasons for the decision, which must be placed on a permanent file.

- c. The Managing Director is not certain whether the information is material or falls within the exemption. The Managing Director must immediately discuss the matter with the Chair. If no decision on disclosure can be made with certainty, the matter must be immediately referred to external legal counsel for advice.

### *1.9.2 Trading Halts*

In the interests of maintaining a fully informed, fair and transparent market, or where confidentiality of price sensitive information is lost and Moreton is unable to make immediate disclosure, it may be necessary for Moreton to request a trading halt from the ASX. The Managing Director, in consultation with the Chair, will make all decisions relating to a trading halt.

## **1.10 Approval of Announcements**

### *1.10.1 ASX Listing Rule templates*

All ASX Listing Rule templates (such as Appendix 3B, 3X, 3Y or 3Z) can be approved for release and publication by the Company Secretary, or in their absence, the Managing Director without the need for approval from the Board. The document to be released should be circulated to the Board as soon as possible and, if it does not cause a breach of the continuous disclosure requirements, prior to ASX lodgement.

### *1.11.1 Other Announcements*

All other announcements are to be approved by all Board Members after review by the Managing Director and, where necessary, Company Secretary. Directors will approve quarterly announcements within 3 days of circulation and all others within 24 hours. In the event that a response is not received from a Director, they will be contacted by phone. If the Director is still unreachable, it will be assumed that the Director has no comments to make in relation to the announcement and the announcement may be released.

## **2. Shareholder Communications**

### **2.1 Overarching Principles**

In accordance with Principle 6 of the *ASX Corporate Governance Council's Principles and Recommendations* (the **Recommendations**), Moreton is committed to providing shareholders with the necessary information and facilities to allow them to exercise their rights effectively, including:

- providing shareholders with ready access to information about Moreton and its governance;
- communicating openly and honestly with them; and
- encouraging and facilitating shareholder participation in shareholder meetings.

### **2.2 Corporate Governance – Website**

In accordance with Recommendation 6.1, Moreton has a Governance section on its website to provide information to shareholders about its corporate governance practices.

The Corporate Governance section includes the Company's Constitution, the Board and Board Committee Charters, key Company policies and its most recent annual Corporate Governance Statement.

The website also provides contact details whereby shareholders or interested parties may contact the Company by phone or email.

### **2.3 Shareholder Meetings**

The Moreton Annual General Meeting (**AGM**) is usually held in October each year. The date, time and location of the AGM are provided in the Notice of Meeting sent to all shareholders.

The Notice of Meeting is distributed to all shareholders in accordance with the timeframe provided in the Corporation Act. The documents are also made available in the Investor section of the Moreton website.

Moreton welcomes and encourages shareholder participation at the AGM, in person, by proxy or other legally appointed representative, or any other means that may be adopted by the Board. Shareholders who are unable to attend the AGM are given the opportunity to submit questions and comments ahead of the meeting, and where appropriate those questions will be answered at the meeting.

The practices outlined above also apply to any other general meetings which may be held.

The Company's external auditor attends each AGM and is available to answer shareholder questions about the conduct of the audit and preparation and conduct of the Independent Audit Report. Moreton believes this is important in both promoting and encouraging shareholder participation in the meeting and providing balanced and understandable information. The Company also considers that this reflects and underlines the role of the auditor and the auditor's accountability to shareholders.

### **2.4 Shareholder Communications**

The following methods of communication are available to shareholders:

- i. telephone;
- ii. mail;
- iii. email;

- iv. via the ASX website ([www.asx.com.au](http://www.asx.com.au))
- v. via the Company Share Registry; and
- vi. via the Company website.

Contact details for the Company Share Registry are available on the website.

For all share related enquiries, shareholders should contact the Company's Share Registry.

Shareholders have the option to receive all communication material, including notices of meeting, annual report and dividend advices (if any) electronically.

## **2.5 Media Releases and Other Information**

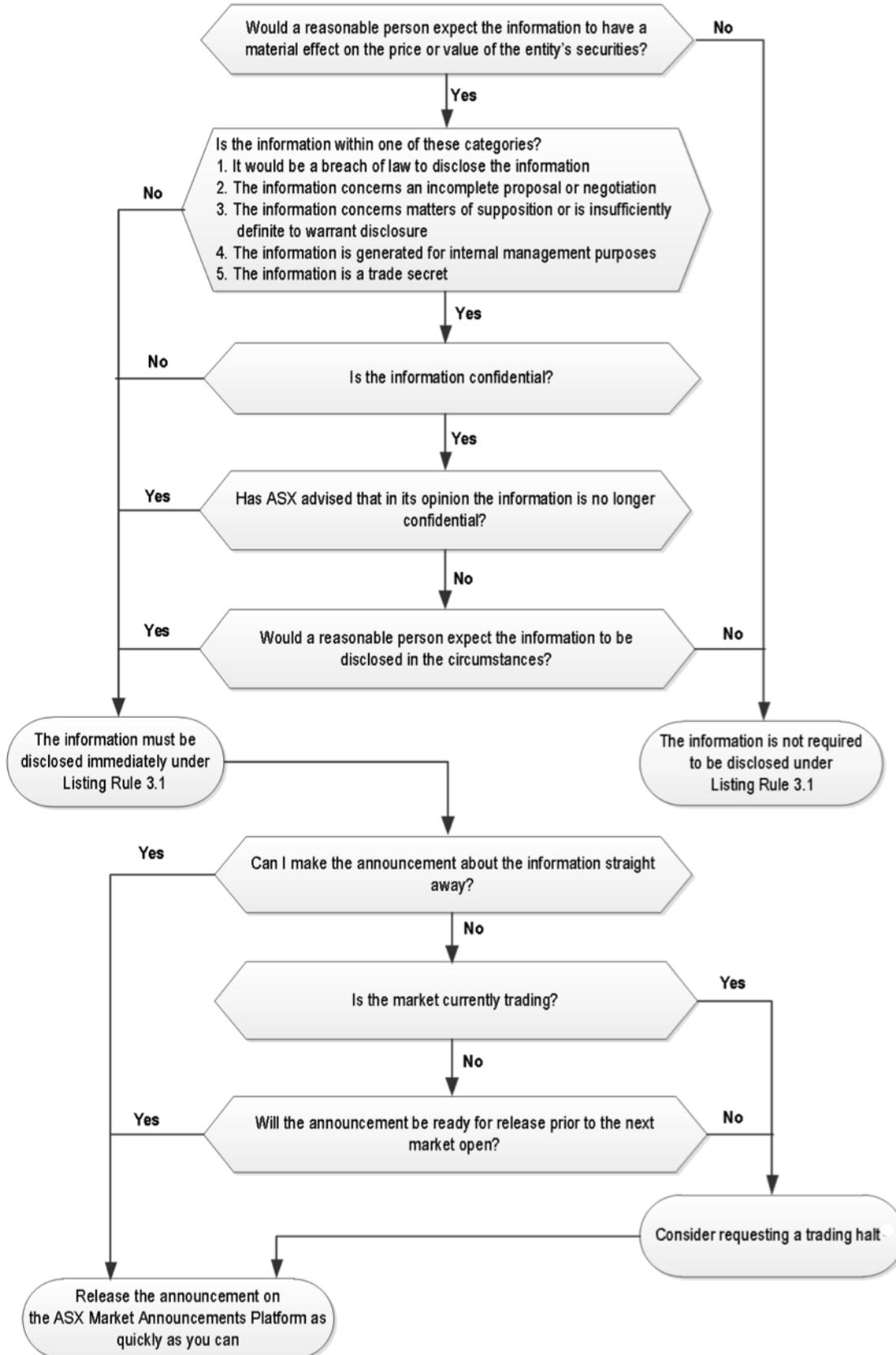
Moreton's media releases are available on the Company's website, and are also released to the market if required under the ASX Listing Rules.

## **3. Review of this Policy**

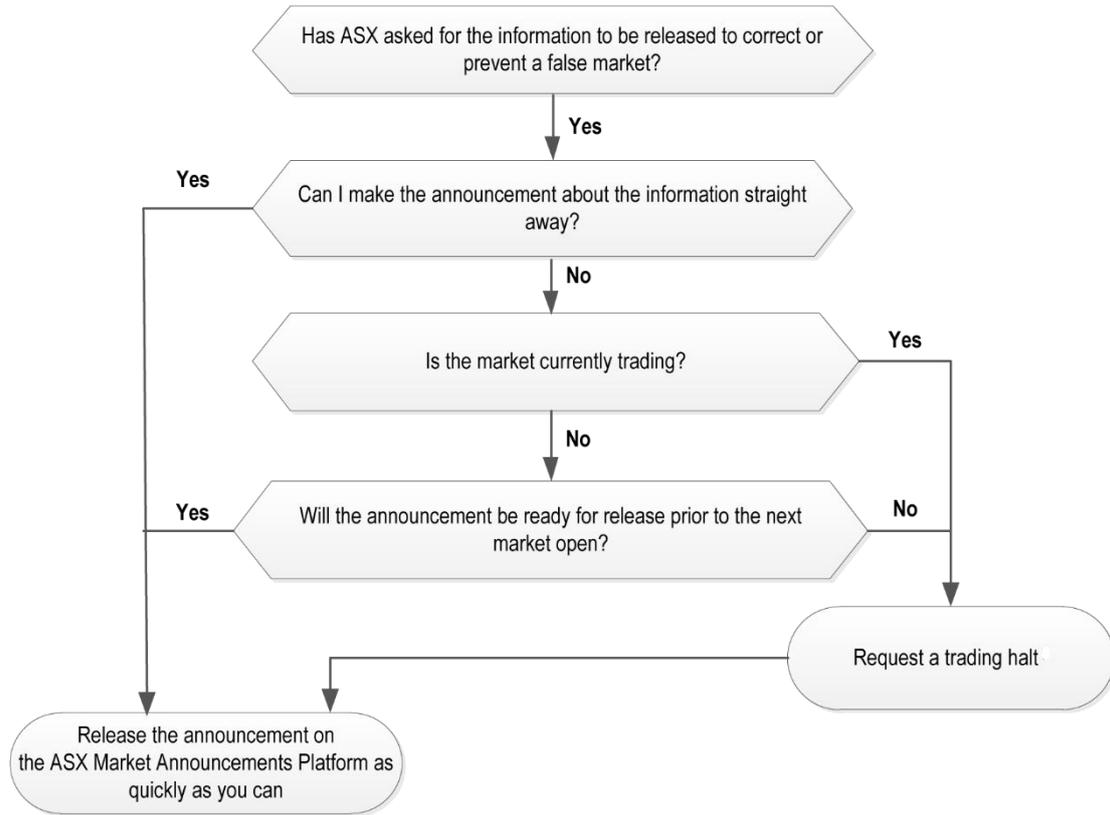
This Policy will be reviewed at least annually, to ensure that it remains effective and consistent with all relevant legal pronouncements and best practice corporate governance principles. Any changes must be approved by the Board.

Board Approved: 25 June 2015  
Board Reviewed: May 2016

**OVERVIEW OF THE CONTINUOUS DISCLOSURE PROCESS**



Source: ASX Listing Rules – Guidance Note 8 Continuous Disclosure



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