

# North Australian Diamonds Ltd Corporate Governance Policies

## Communication with Shareholders Policy

### 1. Policy

- 1.1 The Company recognises the value of providing current, relevant information to its shareholders and to empowering its shareholders through effective communication.
- 1.2 The Managing/Executive Director and Company Secretary have the overall responsibility for communication with shareholders.

### 1. Procedures

- 1.1 The Company acknowledges that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's web address is [www.nadl.com.au](http://www.nadl.com.au)
- 1.2 All information disclosed to the ASX (except announcements of a procedural nature that have no material effect on the Company) will be placed on the Company's website as soon as it is disclosed to and acknowledged by the ASX. When analysts are briefed on the Company's activities, the material used in the presentation (if not previously released) is released to the ASX and placed on the Company's website. Procedures have been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also released to the market.
- 1.3 All website information will be continuously reviewed and updated to ensure all information is current, or appropriately dated and archived.

### 2. Updating this Policy

This policy will be updated as and when appropriate to ensure that technological advances and additional features on the Company's website are utilised in the Company's communication with its shareholders and recognised in this policy.

**Adopted: November 2007**

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## Continuous Disclosure

### 1. Purpose of Market Disclosure Policy

The purpose of this market disclosure policy is to outline the disclosure obligations of the Company as required by the Australian Securities and Investments Commission (**ASIC**), ASX Limited (**ASX**), the *Corporations Act* 2001 (Cth) (the **Act**) and the ASX Listing Rules.

### 2. Commitment to Market Disclosure

2.1 The Company is committed to:

- (a) complying with the general and continuous disclosure principles contained in the ASX Listing Rules and the Act;
- (b) preventing the selective or inadvertent disclosure of material price sensitive information;
- (c) ensuring that shareholders and the market are provided with full and timely information about its activities; and
- (d) ensuring that all market participants have equal opportunity to receive externally available information issued by the Company.

2.2 Continuous disclosure is to be included as an agenda item at all meetings of the Board. Any issue that arises which may need to be disclosed is to be immediately reported to the disclosure officer.

### 3. Disclosure Officer

3.1 The Company Secretary has been appointed as the Company's disclosure officer responsible for implementing and administering this policy.

3.2 The disclosure officer is responsible for all communication with the ASX and for making the decisions (in conjunction with the Board) on what should be disclosed publicly under this policy.

3.3 The disclosure officer is responsible for monitoring all company disclosure practices and for making recommendations to the Company's board on updating this policy in response to changes in internal structure, legislative and regulatory developments and technology developments.

### 4. Material Information

4.1 Subject to and in accordance with the provisions of the ASX Listing Rules, the disclosure officer must, following approval of the Managing Director and/or the Chairman, immediately notify the market, via an announcement to the ASX, of any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities

4.2 Information need not be disclosed if (a), (b) and one of the criteria in (c) are all satisfied:

- (a) a reasonable person would not expect the information to be disclosed; and

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- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
  - (i) it would breach the 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.

4.3 Paragraphs 5.2, 5.3 and 5.4 below provide examples of information that is likely to be material for the purposes of paragraph 4.1 above.

4.4 The Company is also required to disclose information if asked to do so by the ASX, to correct or prevent a false market.

### **5. Review of Communications for Disclosure**

5.1 The disclosure officer will review all communications to the market to ensure they do not cause any unintended breaches of this policy or the Company's obligations under the law. Such communications may include:

- (a) media releases;
- (b) analyst, investor, or other presentations;
- (c) prospectuses; and
- (d) other corporate publications.

5.2 The Company will make public disclosure on any events which are judged to have met the materiality test in paragraph 4.1 above and not to be exempt under paragraph 4.2. Events likely to require disclosure include:

- (a) financial performance and material changes in financial performance or projected financial performance;
- (b) changes in relation to directors and senior executives, including in respect of:
  - (i) key terms and conditions of the employment contract for the Managing Director;
  - (ii) the independence of directors (see paragraph 5.3 below);
- (c) mergers, acquisitions/divestments, joint ventures or material changes in assets;
- (d) significant developments in new projects or ventures;
- (e) material changes to the Company's security position;

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- (f) material information affecting joint venture partners or non-wholly owned subsidiaries;
  - (g) industry issues which have, or which may have, a material impact on the Company; and
  - (h) decisions on significant issues affecting the Company by regulatory bodies.
- 5.3 For the purposes of paragraph 5.2(b)(ii) above, the Company recognises that the ASX has expressed the opinion that any loss of independence of a director (as discussed in the ASX Corporate Governance Council's Corporate Governance Principles and Best Practice Recommendations) is a material matter which requires disclosure.
- 5.4 The above principles apply to the disclosure of information which arises from any due diligence investigation (for example, on the preparation of a prospectus) or from the preparation of financial statements. In those cases, disclosure must be considered as soon as the information is known – it cannot be delayed until the relevant transaction or the preparation of the financial statements is complete.
- 5.5 Where there is doubt as to whether an issue might materially affect the price or value of the Company's securities (including where a request is received from the ASX for disclosure to correct or prevent a false market), the disclosure officer will assess the situation with senior executives and, where needed, seek external advice.
- 5.6 All presentations to analysts or investors will be disclosed to the ASX, then (and only then) included on the Company's website.
- 6. Authorised Spokesperson**
- 6.1 The Company's authorised spokespersons are the Chairman and the Managing/Executive Director.
- 6.2 As appropriate, the Managing Director can authorise other spokespersons, but any comments made must be limited to their area of expertise.
- 6.3 No employee or associated party (such as consultants, advisers, lawyers, accountants, auditors, investment bankers etc) are permitted to comment publicly on matters confidential to the Company. Any information which is not public should be treated by the employees as confidential until publicly released.
- 6.4 Authorised spokespersons will liaise with the disclosure officer to ensure all proposed public comments satisfy this disclosure policy.
- 7. Reporting of Disclosable Information**
- 7.1 Once the requirement to disclose information has been determined, the disclosure officer will be the only person authorised to release that information to the ASX.
- 7.2 Information to be disclosed must be lodged immediately with the ASX. Information which should be disclosed to the ASX must not be released publicly until the Company has received formal confirmation of its release by the ASX.
- 7.3 All information disclosed to the ASX in compliance with this policy must be promptly placed on the Company's website following receipt of confirmation from the ASX.
- 7.4 If joint disclosure between the Company and a third party is deemed necessary or desirable (for example, under the terms of any agreement), the Company will endeavour to ensure that relevant parties have the opportunity to review the content

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of the disclosure before its release, provided that such review does not adversely impact on the Company's ability to comply with its disclosure obligations. Prior review will also enable the Company to consider whether a separate announcement to the ASX or other stakeholders is required.

### **8. Market Speculation and Rumours**

As a guiding principle, the Company has a 'no comment' policy on market speculation and rumours which must be observed by all employees. However, the Company will comply with any request by the ASX to comment upon a market report or rumour.

### **9. Trading Halts**

9.1 The Company may request a trading halt to maintain orderly trading in the Company's securities and to manage disclosure issues.

9.2 Such circumstances may include:

- (a) if confidential price sensitive information is prematurely or inadvertently made public and where an immediate release cannot be made which would fully inform the market; or
- (b) where it may be necessary to arrange a press conference and briefings in advance of making a formal announcement.

9.3 No employee of the Company is authorised to seek a trading halt except for the disclosure officer, with the prior consent of the Managing Director and/or the Chairman.

### **10. Meetings and Group Briefings with Investors and Analysts**

10.1 The Managing/Executive Director is primarily responsible for the Company's relationships with major and institutional investors and analysts and shall be the primary contacts for those stakeholders.

10.2 The Company Secretary is primarily responsible for the Company's relationships with retail investors and shall be the primary contact for those stakeholders.

10.3 The Company will not disclose price-sensitive information in any meeting with an investor or stockbroking analyst before formally disclosing it to the market.

10.4 The Company considers that one-on-one discussions and meetings with investors and stockbroking analysts are an important part of pro-active investor relations. However, the Company will only discuss previously disclosed information in such meetings. Where necessary, specific disclosure will be made in accordance with paragraph 5.6 above, immediately prior to the meeting.

10.5 The disclosure officer must be fully briefed immediately after any meetings with stockbroking analysts and investors in cases where information inadvertently discussed may need to be disclosed.

10.6 Any employee or officer of the Company at a meeting or briefing, who considers that price sensitive information has been raised that previously has not been disclosed, must immediately refer that matter to the disclosure officer for consideration.

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### 11. Pre-results Period

- 11.1 During the time between the end of the financial year or half year and the actual results release, the Company will not discuss financial performance, broker estimates and forecasts, and particularly any pre-result analysis with stockbroking analysts, investors or the media, unless the information discussed has already been disclosed to the ASX.
- 11.2 If the process of preparing financial statements reveals any price-sensitive information not previously disclosed, that information will be disclosed immediately and will not be held back for disclosure in the financial statements.

### 12. Web-based Communication

- 12.1 The Company's website will feature a discrete section for shareholders and investors to ensure that such information can be accessed by all interested parties. Such information will include:
- (a) annual reports and result announcements;
  - (b) all other company announcements made to the ASX;
  - (c) speeches and support material given at investor conferences or presentations; and
  - (d) company profile and company contact details;
- 12.2 The disclosure officer must receive drafts of the above materials before being posted on the website to ensure this policy is complied with.
- 12.3 Announcements lodged with the ASX will be available on the Company's website as soon as practicable after the ASX confirms receipt of that information.
- 12.4 All website information will be continuously reviewed and updated to ensure all information is current, or appropriately dated and archived.
- 12.5 Historical information will be archived and clearly dated to ensure users are aware that it may be out of date.
- 12.6 Shareholders may be offered the option of receiving information via e-mail instead of post. E-mail messages may provide information directly or advise that the Company's website has been updated.

### 13. Analyst Reports and Forecasts

- 13.1 Stockbroking analysts frequently prepare reports on listed entities that typically detail strategies, performance and financial forecasts. To avoid inadvertent disclosure of information that may affect the Company's value or share price, the Company's comment on analyst reports will be restricted to:
- (a) information the Company has publicly issued; and
  - (b) other information that is in the public domain.
- 13.2 Given the level of price sensitivity to earnings projections, the Company will only make comment to correct factual errors in relation to publicly issued information and company statements.

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- 13.3 The Company will not endorse, or be seen to endorse, analyst reports or the information they contain. Accordingly the Company will not:
- (a) externally distribute individual analyst projections or reports;
  - (b) refer to individual analyst recommendations on the website; or
  - (c) selectively refer to specific analysts, or publicly comment on individual analyst recommendations or proprietary research.

### **14. Policy Breaches**

Breaches of this policy may lead to disciplinary action being taken against employees, including dismissal in serious cases.

**Adopted: 5 November 2007**