

Peet Limited

**LISTING RULE 3.1
COMPLIANCE
POLICY AND
RULES**

Peet Limited (“PEET”)

LISTING RULE 3.1 COMPLIANCE POLICY AND RULES

1 INTRODUCTION & SUMMARY

The continuous disclosure provisions of the Corporations Act and the listing rules mean that criminal and civil liabilities could be imposed on **PEET** and its officers if material information is not released to the market in accordance with listing rule 3.1. This means immediately after it becomes known, unless it falls within an exception to the rule.

This document deals with:

- (a) the key obligations of:
 - . directors;
 - . employees;
 - . Designated Officers;
 - . Compliance Officer/s;
 - . the Company Secretary;
 - . the Managing Director; and
 - . the Corporate Relations consultant.
- (b) **PEET**'s obligations;
- (c) the type of information that needs to be disclosed;
- (d) the procedures for internal notification and external disclosure;
- (e) the procedures for promoting understanding of compliance with the disclosure requirements; and
- (f) the procedures for monitoring compliance.

These procedures will be reviewed regularly to ensure they remain relevant and appropriate. If you have any suggestions for improvement or consider there is a problem with any aspect of these procedures, please raise the issue with the Company Secretary.

In summary, the rules require employees of **PEET** to notify a Designated Officer or directors to notify the Managing Director when they become aware of previously undisclosed information which may require release to the market under listing rule 3.1. The designated person must bring it to the attention of the Managing Director who must decide whether or not an announcement or other action is required and initiate the announcement or other action as required.

The Board of **PEET** considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally, it notes all matters which were disclosed since the last meeting.

2 KEY OBLIGATIONS

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| <p>Key Obligations</p> <p>For Directors and Employees</p> | <p>Are you aware of any information about PEET that might influence someone in deciding to buy or sell PEET securities which has not been released to the market?</p> <p>If so, immediately tell a Designated Officer. He/she is:</p> | |
| | <p>Division</p> | <p>Designated Officer (or in their absence, their authorised delegate)</p> |
| | <p>Office of the Managing Director and Corporate Relations</p> | <p>Managing Director/ Company Secretary</p> |
| | <p>Directors</p> | <p>Managing Director/ Company Secretary</p> |
| | <p>Project Managers WA (and Assistants)</p> | <p>Operations Manager (WA)</p> |
| | <p>Project Managers Vic, NSW, Qld (and Assistants)</p> | <p>Executive Director (Eastern States)</p> |
| | <p>Administration/Human Resources/ Support</p> | <p>Admin & HR Manager/ Compliance Officer</p> |
| | <p>Accounting and Finance</p> | <p>Chief Financial Officer</p> |
| | <p>Designated Officers/ Compliance Officer/ Admin & HR Manager</p> | <p>Managing Director/ Company Secretary</p> |

Key Obligations

For Company Secretary

- . Communicate with ASX ¹ in relation to listing rule matters.
- . Provide announcements to ASX and ASIC and lodge with the Company Announcements Officer (Company Secretary).
- . Monitor the press and share price continuously (assisted by PA to Company Secretary).
- . Consult with the Managing Director regarding matters for announcement to the market.
- . Advise Designated Officers on listing rule 3.1 matters.
- . Advise Managing Director if an announcement to the market is required.
- . Ensure the Board of **PEET** considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers and notes all matters which were disclosed since the last meeting.

For the Managing Director

- . Promptly advise Company Secretary, if there are any matters required to be announced to the market.
- . Authorise final form of announcement to the market.

For Corporate Relations Consultant

- . Prepare announcement for release to the market in consultation with Company Secretary.
- . Prepare other public releases if necessary.
- . Obtain approval from the Managing Director of announcement for release to the market and strategy.
- . Provide approved announcement to Company Secretary with due expedition.

Designated Officers

- . Examine and authorise text of relevant speeches and other public addresses by **PEET** directors and employees.
- . Consult/notify Company Secretary on potential listing rule 3.1 matters.

¹ *ASX is responsible for supervising **PEET**'s compliance with the listing rules.*

3 PEET'S OBLIGATIONS

Listing rule 3.1 requires “immediate” disclosure of any information concerning **PEET** of which **PEET** is or becomes aware, which a reasonable person would expect to have a material effect on the price or value of shares and/or other securities of **PEET**. Section 674 of the Corporations Act reinforces listing rule 3.1 by creating criminal and civil penalties for non-compliance.

The requirement to disclose this information does not apply if, and only if, **each** of the following conditions is and remains satisfied:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential² and ASIC has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following conditions apply:
 - (i) It would be a breach of a law to disclose the information.
 - (ii) The information concerns an incomplete proposal or negotiation (for example, a negotiation to enter into a new contract).
 - (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 **PEET**.
 - (v) The information is a trade secret.

If ASIC considers that there is or is likely to be a false market in **PEET**'s securities and asks **PEET** to give it information to correct or prevent a false market, **PEET** must give ASIC³ the information needed to correct or prevent the false market. This obligation to give information arises even if the exceptions outlined above apply.

ASX listing rule Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1, provides examples and details to assist listed entities with their obligations under listing rule 3.1. A copy of the Guidance Note in respect of listing rule 3.1 is available upon request from the Company Secretary or from www.asx.com.au.

² *“Confidential” means confidential in fact: the fact that agreements to protect confidentiality exist does not mean a matter is confidential if, for example, it is mentioned in a newspaper.*

³ ***PEET** the listed company provides a copy of the announcement to ASIC and releases the announcement through the usual company announcements channel..*

4 HOW DOES PEET BECOME AWARE OF INFORMATION?⁴

Compliance with listing rule 3.1 is the responsibility of **PEET** the listed company. **PEET** will be deemed to have become aware of information where a director or executive officer⁵ has, or ought reasonably to have, come into possession of the information in the course of performance of his/her duties as a director or executive officer of **PEET**. A director or executive officer who “ought reasonably” to have come into possession of potentially relevant information should bring this information to the attention of the appropriate officer (see Section 2 above).

5 MATERIALITY

PEET must disclose information if a reasonable person would expect that information to have a material effect on the price or value of the securities of **PEET**. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, those securities.

Neither the listing rules nor the Corporations Act define when information will be taken to have such an effect. In practice, usually a monetary test is adopted using thresholds from the accounting standards relevant to preparation of financial statements. However, other concepts of materiality are also adopted in addition to a monetary threshold. For example:

- . whether a matter will significantly damage **PEET**'s image or reputation;
- . whether a matter will significantly affect **PEET**'s ability to carry on business in the ordinary course; or
- . whether the matter involves a breach of any law or regulation.

6 THE TYPE OF INFORMATION THAT NEEDS TO BE DISCLOSED

Obviously, it is not possible to exhaustively list the information that has to be disclosed. The following examples are provided to give you some idea about information that could require disclosure.

Examples of information that might need to be disclosed include the following:

- (1) results (anticipated or otherwise) from the acquisition activities of **PEET**;
- (2) a new contract that Peet had entered into or possibly a variation to an existing contract. In certain circumstances it may even be necessary to disclose the existence of negotiations surrounding the entry into or variation of a contract, should these negotiations no longer be confidential;
- (3) any event which could affect Peet's prospects, earnings or profitability such as:
 - (A) litigation being commenced by or against Peet (eg, because of an alleged breach of contract);
 - (B) industrial action being threatened or commenced; or
 - (C) significant unbudgeted capital expenditure commitments arising;
- (4) a change in Peet's financial forecast or expectation. As a general policy, a 10% to 15% change may be considered material. Further, if Peet has not made a forecast, a similar variation from the previous corresponding period will need to be disclosed;

⁴ *“Information” may include information necessary to prevent or correct a false market.*

⁵ *An executive officer is a person concerned in, or taking part in, the management of **PEET**.*

- (5) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade, credit, trade debt, borrowing or securities held by it or any of its child entities;
- (6) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of Peet's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case;
- (7) a recommendation or declaration of a dividend or distribution or a recommendation or decision that a dividend or distribution will not be declared;
- (8) under subscriptions or over subscriptions to an issue;
- (9) a copy of a document containing market sensitive information that Peet lodges with an overseas stock exchange or other regulator which is available to the public. The copy given to ASX must be in English;
- (10) information about the beneficial ownership of shares obtained under Part 6C.2 of the Corporations Act;
- (11) giving or receiving a notice of intention to make a takeover;
- (12) an agreement between Peet (or a related party or subsidiary) and a director (or a related party of the director);
- (13) a change in accounting policy adopted by **PEET** which would have a material effect on **PEET's** financial results or position; or
- (14) a proposal to change the **PEET's** auditor.

ASX listing rule Guidance Note 8 – Continuous Disclosure: Listing Rule 3.1, provides further examples and details to assist listed entities with their obligations under listing rule 3.1.

Commencing from 1 July 2004, the type of information that has to be disclosed will be expanded and will need to comply with the guidelines issued by ASIC with respect to the policy to implement the "Corporate Law Economic Reform Program (Audit Reform and Corporate Disclosure) Bill 2003", known as CLERP 9. If there is any doubt about the importance of information which comes to light, there should be immediate notification via a Designated Officer, Compliance Officer or directly to the Company Secretary so that advice can be given and a formal decision can be made as to whether or not to release the information.

7 THE MANAGING DIRECTOR'S OBLIGATIONS

The Managing Director is the ultimate decision-maker on **PEET**'s continuous disclosure.

The Managing Director is primarily responsible for ensuring that **PEET** complies with its disclosure obligations and is primarily responsible for deciding what information will be disclosed. In consultation with appropriate personnel, a decision will be made by the Managing Director about whether or not to disclose the information, take any necessary steps to protect its confidentiality, or take steps to prevent a false market such as requesting a trading halt.

8 OBLIGATIONS TO NOTIFY THE MANAGING DIRECTOR

Where any information comes to light about **PEET** which may need to be released, all Designated Officers and the Compliance Officer are obliged to bring that information to the attention of the Company Secretary with all possible expediency. In the case of directors, initial verbal notification should be given directly to the Managing Director. In his absence, notification should be given to the Company Secretary.

To facilitate reporting within **PEET**, a Designated Officer will be nominated for each division of **PEET**. The names of the divisions are set out at Section 2 above. It is the responsibility of the Designated Officer to ensure that the Company Secretary is notified with all due expediency of any information about **PEET** which may need to be released. It is the responsibility of the Company Secretary to inform the Managing Director as to the information received and to advise on the application of the disclosure rules to the circumstances. It is the responsibility of the Managing Director to determine whether disclosure is required.

The procedure for notification is set out in Attachment A.

Until a decision as to whether or not to disclose information has been made, directors and employees must treat the information as strictly confidential.

9 DECISION NOT TO DISCLOSE INFORMATION

If a decision is made by the Managing Director not to disclose information, the reasons for that decision must be documented at the time the decision is made and retained by the Company Secretary.

10 CONFIDENTIAL INFORMATION

In determining whether any information that comes to light about **PEET** needs to be released, it will be necessary to determine whether the conditions permitting non-disclosure which are mentioned in Section 3 apply. In particular, a determination may need to be made as to whether the information is confidential. For that purpose, the Designated Officer for the affected division must seek assistance from the Company Secretary. If a determination is made that the information is confidential, then the Company Secretary will ensure that anyone who has a copy of the information is aware that it is confidential.

The Managing Director will cause **PEET**'s share price to be monitored on a continuous basis. If there are any unexpected movements in the share price, then the Managing Director will need to determine whether the cause of that movement relates to the unauthorised release of any confidential information. If the share price movement relates to the unauthorised disclosure of confidential information, then the Managing Director must ensure that action is taken to ensure **PEET** is in compliance with its disclosure obligations, in particular, preventing false markets.

11 RELATIONSHIP WITH MEDIA AND PUBLIC

A company must disclose information needed to prevent a false market. Accordingly, it may be necessary for **PEET** to correct a rumour or to respond to speculation, including media speculation.

The Company Secretary and Corporate Relations consultant will monitor the media to detect issues which may require **PEET** to make an announcement or take other action under the disclosure rules.

Relevant information for release to the market must be provided to ASIC under listing rule 3.1 and released to the market before it is provided to the media (even on an embargoed basis).

Care must be taken not to make comments to the media or others which could result in rumours or speculation about **PEET**. Staff must comply with the media relations policy of **PEET**. That policy limits media contact to the Managing Director, the Chairman and the Corporate Relations consultant or their delegates. Other officers and employees may only confer with the media in relation to a particular matter concerning **PEET** if they have obtained the prior express approval of the Managing Director, or Company Secretary, or their delegate for the purpose of giving such approval.

It is also important to ensure that any speeches, or external addresses given, do not result in rumours or speculation about **PEET** or unauthorised disclosure. The text of all such speeches and external addresses must receive the prior endorsement of the Managing Director, or Company Secretary, or their delegate for the purpose of giving such approval.

Where appropriate, the Corporate Relations consultant must prepare (in consultation with Company Secretary) and submit to the Managing Director for approval, a public relations/media strategy. The formulation of that strategy must not delay release of the announcement.

In briefings to media/public/analysts, **PEET** staff must not disclose previously undisclosed material information.

12 BOARD CONSIDERATION OF DISCLOSURE

The Board of **PEET** will consider whether there are any matters requiring disclosure in respect of each and every item of business that it considers. Additionally, the Board will note all matters which were disclosed since the last meeting.

13 EMPLOYMENT AND MONITORING OF COMPLIANCE

To promote understanding of the continuous disclosure obligations imposed on **PEET** by the Corporations Act and the listing rules, a copy of this document will be provided to all directors and employees (present or future) of **PEET**.

Continuous disclosure workshops will be held to ensure new and existing directors and employees remain familiar with the nature of the obligations imposed on **PEET**. It is imperative that **PEET** is seen to be a leader in compliance with the continuous disclosure regime.

The Managing Director will ensure that the continuous disclosure obligations of **PEET** are drawn to the attention of directors and employees by written memorandum, at least once in every 12-month period.

At least once in every 12-month period, the Board will review **PEET**'s compliance with this document. From time to time, and if considered necessary, the Board will update this document (and distribute an updated copy to all directors and employees) to reflect changes in **PEET**'s business operations and changes in the Corporations Act and the listing rules.

A copy of this document has been placed in **PEET**'s electronic Procedures Manual. The induction procedures for new staff and directors must require that a copy of this document be provided to each new employee and director. It is the responsibility of the Designated Officers to ensure that all staff and consultants within their Division/Business Unit have received this document and understand its requirements.

14 SHARE DEALING BY EMPLOYEES & DIRECTORS

Any director or employee of **PEET** proposing to trade in **PEET** shares must comply with the "Guidelines for Dealing in Securities" and as amended from time to time. A copy of this document is available on the **PEET**'s electronic Procedures Manual

15 AUDIT

The **PEET**'s Audit & Risk Management Committee will annually a review PEET's adherence to the procedures set out in this document.

16 REPORTING AND CORRECTING MISTAKEN NON-DISCLOSURE

Any director or employee of PEET who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately telephone the Company Secretary so that appropriate action can be taken. It is far better to correct mistaken non-disclosure and lodge an announcement belatedly than to continue to ignore the omission and fail to comply with listing rule 3.1.

17 CONCLUSION

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for PEET and its directors and employees and could have a damaging impact on the perception of PEET within the investment community. It could also serve to undermine the credibility of PEET. Any director or employee of PEET who wilfully or negligently causes a failure to comply by PEET will be considered to have engaged in serious misconduct which may result in the termination of their engagement by PEET.

All directors and employees are encouraged to actively consider the need for disclosure. Do you have undisclosed information likely to influence a person to buy or sell PEET securities? If so, notify a Designated Officer or, if you are a Director, the Managing Director, as soon as possible. Designated Officers should then notify the Company Secretary by telephone and get into the habit of discussing the requirement to disclose information with the Company Secretary. It is far better to consider (and, where appropriate, reject) the need for disclosure rather than make what could be a false assumption that information does not need to be disclosed.

