



# Resource Generation Limited

**ACN 059 950 337**

## Continuous Disclosure Policy and Procedures

### 1. Introduction

ASX Listing Rule 3.1 requires that once a company 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 company's securities, the company must tell ASX that information.

Failure to comply can result in civil and criminal proceedings against both Resource Generation Limited ("the Company") and any person involved in the contravention. Substantial damages and penalties apply under the Corporations Act.

The Company has a secondary listing on the Johannesburg Stock Exchange (**JSE**). The JSE Listing Rules have a similar obligation in Section 3.4 which requires issuers without delay to release an announcement on matters that constitute price sensitive information.

#### 1.1 Purpose

This document sets out the policies and procedures which will operate to ensure that Resource Generation Limited, as a listed company, complies with its disclosure obligations under the ASX and JSE Listing Rules and Corporations Act.

#### 1.2 Scope

This policy applies to all Directors and Employees (full time, part time or casual) of the Company and its subsidiaries.

### 2. Policy

#### 2.1 Compliance with Disclosure Requirements

It is the policy of the Company to act at all times with integrity and in accordance with law, including the disclosure requirements of the ASX and JSE Listing Rules, ASX Guidance Notes, the ASX Corporate Governance Council Recommendations and the Corporations Act.

#### 2.2 Continuous Disclosure Notification of ASX

The Company shall immediately notify the ASX and JSE if it becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's shares or other securities (**Material Information – see 2.4 below**).



The Company will not release Material Information to any other person until it has given the information to the ASX and received acknowledgement that the ASX has released the information. The Company will ensure that the Material Information is released to the JSE concurrently.

The Company acknowledges that generally there is an eight-hour time difference between the East Coast of Australia and South Africa. Consequently, Material Information will generally be released to the ASX during a period that trading on the JSE is not occurring. The Company will therefore ensure that the announcement is lodged with the JSE before opening of the market in South Africa.

### **2.3 Exception**

Paragraph 2.2 does not apply to particular information while the following apply:

- a. A reasonable person would not expect the information to be disclosed; and
- b. The information is confidential; and
- c. One or more of the following 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 Company; or
  - the information is a trade secret.

### **2.4 Material Information**

Information is material if it would or would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the Company's securities. In assessing materiality, consideration is given to the Company's business activities, size and place in the market. Whilst it is not possible to establish fixed guidelines for what information may be market sensitive, the following are examples of information which should be reported:

- a. major developments related to securing project funding;
- b. major operational developments or setbacks;
- c. major new contracts or changes to major supply arrangements;
- d. major environmental incidents;
- e. serious accidents;
- f. significant legal issues or lawsuits;
- g. significant geological findings including drill results and matters affecting the JORC; resource or reserve statement; and
- h. adverse Government decisions affecting the business.



## **2.5 Avoiding a False Market**

If the ASX (primary listing) considers that there is or is likely to be a false market in the Company's shares or other securities and asks the Company to provide it with information to correct or prevent a false market, the Company will give the ASX such information as is necessary to correct or prevent the false market, or if it is unable to do so, will request a trading halt. The extent of the information to be provided by the Company will depend on the nature of the false market and the information requested by the ASX, which must be determined in the particular circumstances of each case.

"False market": ASX is likely to consider that there is or is likely to be a false market in the Company's shares or securities if there is a reasonable specific rumour or media comment in relation to the Company that has not been clarified or confirmed by an announcement to the ASX, and there is evidence that the market price of the Company's shares or securities is moving in a way referable to such a rumour or comment. The ASX may require disclosure in these circumstances even when the three limbs of the exception under paragraph 2.3 are met.

## **3. Responsibilities**

### **3.1 Board of Directors**

The Board is responsible for ensuring the Company complies with its continuous disclosure obligations. To this end, the Board is responsible for implementing and overseeing this disclosure policy.

### **3.2 Company Secretary**

The Company Secretary shall be responsible for:

- a. ensuring the Company complies with the continuous disclosure requirements; and
- b. communicating with the ASX in relation to Listing Rule matters including lodging disclosures with the ASX and JSE; and
- c. overseeing and co-ordinating disclosure of information to the ASX, JSE, analysts, brokers, shareholders, the media and the public;
- d. educating directors, officers and employees on the Company's disclosure obligations, policies and procedures and raising awareness of the principles underlying continuous disclosure; and
- e. co-ordination, preparation and approval of all media releases by the Company and its related corporations (not including paid advertising).

### **3.3 Authorised Company Spokespersons**

Unless otherwise advised, the nominated Company spokespersons are the Chairman, CEO, the Company Secretary and any other persons authorised by the Chairman or CEO.



- The spokespersons are entitled to clarify information publicly released through the ASX and JSE, but they should not add to or reveal material price sensitive matters. The Company Secretary will liaise with those persons about Company's disclosure history to reduce the likelihood of inadvertent disclosure of such price sensitive matters.
- The Company Secretary should be kept advised of all discussions with the media and consulted in relation to any significant briefings or disclosures.

### **3.4 Directors and Employees**

- To monitor and report matters that potentially relate to Material Information as outlined in 4.1 below
- To restrict circulation to only those who should be informed and keep confidential in accordance with the obligations under the Code of Conduct information that relate to an incomplete negotiation or proposal so that the Exception in 2.3 above can continue to apply.

## **4. Procedures**

### **4.1 Potentially Disclosable Information**

- Any Director, Executive Officer or Employee of the Company or its subsidiaries or related corporations who becomes aware of any information concerning the Company that may be covered by paragraph 2.2 above, shall immediately provide such information to the Company's CEO and Company Secretary.
- Disclosure issues will be a standing item at meetings of the Board of Directors. All potential matters for disclosure should be brought to the attention of the Company Secretary and reports by senior executives tabled at each Board of Directors meeting will confirm compliance.
- Matters of strategic and/or operational importance that are likely to influence an investment decision may, depending on the special circumstances, be considered material Information which should be released to the market (eg. the appointment of a key executive and any material terms of the relevant service agreement applicable). Such matters should be brought to the attention of the Company Secretary.
- Decisions regarding whether something is either price sensitive or of strategic or operational importance which should be released to the market shall be made after consultation with the CEO, Company Secretary, external legal advisors and any other relevant individuals.
- Where there is advanced warning of an event that is likely to require an announcement, a draft should be prepared ahead of the time.
- Where there is an event that gives rise to the requirement to make an announcement and this event is within the control of the Company (e.g. approval to execute a contract), Directors and Executive Officers should be sensitive to ASX



trading hours and where possible try to ensure this happens before trading opens or after close.

#### **4.2 Approval of announcements**

- Overall responsibility for compliance with the Company's disclosure obligations rests with the Board. However, the day to day responsibility to consider information and facts that could constitute Material Information is delegated to the CEO with support from the CFO and the Company Secretary;
- The Board is responsible for approving announcements on matters that fall within its reserved powers or a matter that is regarded as significant to the Company;
- All reasonable efforts must be made to have significant announcements urgently considered and approved by the Board prior to release. However, if it is impractical or relates to finalisation of a draft previously reviewed by the Board delegation of authority is given to the Chairman and the CEO collectively; or if either of them is unavailable the Chairman or CEO alone to approve the announcement;
- Other announcements covering routine or administrative matters including those related to ongoing Listing Rule compliance are delegated to the CEO or if not available the Company Secretary to approve for release. Examples include Appendix 3B, 3X,3Y and 3Z.

#### **4.3 Communication of Disclosable Information**

- All information that would be expected to have a material effect on the price or value of the Company's securities will be released by the Company Secretary to the ASX (and if during trading hours the JSE) before any other person.
- All information disclosed to the ASX and JSE in compliance with this policy will be promptly placed on the Company's website following receipt of confirmation from the ASX.

#### **4.4 Managing Market Speculation and Rumours**

Market speculation and rumours, whether substantiated or not, have a potential to impact the Company.

The Company does not generally comment or respond to speculation and market rumours. Directors and Employees must observe this policy at all times. Notwithstanding this, the Company may issue a statement where:

- the Company considers it has an obligation to make a statement; or
- the Company is required to respond to a formal request from the ASX (refer paragraph 2.5 above).



Any rumours or market speculation (including press releases, investor blogs or external enquiries) must immediately be reported to the CEO and Company Secretary so that consideration can be given as to what further action to take including consideration of preparing a draft announcement.

#### **4.5 Trading Halts and Voluntary Suspensions**

It may be necessary to request a trading halt (lasting for a maximum of two business days) from the ASX and JSE to ensure orderly trading in the Company's securities. Such circumstances could include:

- if confidential information about the Company is inadvertently made public, to enable it to prepare an appropriate announcement to the market;
- if preparing for a major announcement, the Company may need to arrange briefings in advance of the formal announcement to avoid market uncertainty;
- to prevent an uninformed market pending announcement of a material matter.

The Chairman and/or the CEO will make all decisions in relation to trading halts. No employee is authorised to seek a trading halt except with the approval of the Chairman and/or CEO.

The Company acknowledges the time difference between Australia where it holds its primary listing on the ASX and South Africa where the Company is managed and where the Chairman is based. In situations where it is not possible for the Chairman and the CEO to be consulted on the application for a trading halt, the two Australian based Directors are authorised to lodge such a request with the ASX followed with a request to the JSE before trading commences.

Any request to the ASX and JSE for the Company to be placed into voluntary suspension (where the time requirement to address the issue is expected to be more than 2 business days) must be approved by the Board.

#### **4.6 Contact with the Market**

- The Company interacts regularly with the market in a variety of ways including result briefings, market announcements, formal addresses and one on one briefings. In addition, the Company provides background and technical information to institutional investors and stockbroking analysts to support announcements made to the ASX and JSE. In this section these types of contacts will be called "market discussions". The Black-out periods applying to securities trading under the applicable Company policy will also apply to the abovesaid briefings.
- All analyst and investor briefings should be attended by at least two Directors and/or Employees unless it is impractical to do so due to travel arrangements
- The Company recognises that it is important to have market discussions and that there should be no undisclosed price sensitive information communicated during these discussions. The authorised company spokespersons may clarify information



that the Company has publicly released, but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

- Where a question raised in a briefing can only be answered by disclosing material price or value sensitive information, Directors and/or Employees must decline to answer the question or take the question on notice and wait until the Company announces the information publicly through the ASX before responding.
- If any Director or Employee participating in the briefing considers that a matter has been raised that might constitute previously undisclosed Material Information, they must immediately refer the matter to the Company Secretary. If any other employee (other than an authorised company spokesperson) receives a request for comment from an external investor analyst or the media in relation to any matter concerning the Company, they must advise that person that they are not authorised to speak on behalf of the Company and must refer inquiries to the Company Secretary.
- Slides and presentations used in market discussions should be given to the ASX for immediate release to the market and posted on the Company's website. These slides and presentations must have first been provided to the Company Secretary, before the relevant briefing, in order for the Company Secretary to determine whether all information has been previously disclosed to the market or may require disclosure.

#### **4.7 Review of Analyst Reports**

The Company recognises the important role performed by analysts in assisting the establishment of an efficient market with respect to the Company's securities. However, the Company is not responsible for, and does not endorse, analyst reports that contain commentary on the Company.

- Where analysts send draft reports to the Company to comment, they must immediately be referred to the Company Secretary.
- The Company will not provide non-disclosed material price or value sensitive information in response to such reports. The information may be reviewed only to correct factual inaccuracies on historical matters. Any correction of factual inaccuracies by the Company does not imply endorsement of the contents of these reports.

#### **4.8 Responding on Financial Projections and Reports**

Comments on the Company's financial projections and reports will only be made in relation to material that has already been publicly disclosed. Responses will be avoided which suggest that the Company or the market's current projections are incorrect. The Company will publicly announce any material change in expectations before commenting to anyone outside the Company.



#### **4.10 Public Comments and Social Media**

Company Directors and Employees must not make external comments (whether orally or by production) about the business affairs of the Company and its subsidiaries that could result in speculation or rumours about the Company without authorisation from an Authorised Company Spokesperson (section 3.3)

This prohibition includes comments via the internet, social media or social networking technologies including mediums such as Facebook, Twitter, LinkedIn, Instagram, Hotcopper and internet blogs.

#### **4.11 Promotion of the understanding of compliance by Directors and Employees**

The Company's induction program for new starters (Level C and above) will include training on the continuous disclosure obligations to the ASX and JSE and the operation of this policy and procedures.

On an annual basis the senior executive team will run a refresher session at one of their regular meetings on the Company's continuous disclosure obligations and the policy and procedures that have been adopted.

#### **4.11 Disclosure of Corporate Governance Compliance**

The Company will include in the Corporate Governance section of its Annual Report, and/or make publicly available by posting to the Company's website in the Corporate Governance section, all such information as the Company is required to disclose as a consequence of the reporting requirements specified in the ASX Corporate Governance Council Recommendations.

#### **4.12 Breaches of This Policy**

Directors and Employees are expected to strictly comply with the continuous disclosure policy and breaches will be subject to disciplinary action, up to and including dismissal.

Reviewed and approved by the Board: 18 June 2018

Attachment 1 – Pro-forma Trading Halt Request



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Australian Securities Exchange Limited  
Exchange Centre  
Level 4, 20 Bridge Street  
Sydney, NSW 2000

Resource Generation Limited ACN 059 950 337 (ASX: RES)

Request for Trading Halt

Pursuant to ASX Listing Rule 17.1, Resource Generation Ltd (Resgen) requests a trading halt in respect of Resgen's ordinary shares from commencement of trading on xx.

In accordance with Listing Rule 17.1, Resgen advises:

- (a) the trading halt is requested pending an announcement in relation to ..... (xx Announcement);
- (b) Resgen wishes the trading halt to remain in place until the earlier of such time as it makes the xx Announcement, or the commencement of trading on xx; and
- (c) Resgen is not aware of any reason why the trading halt should not be granted, or of any information necessary to inform the market or ASX about the trading halt.

Yours faithfully

xx

Company Secretary