

Group Policies

Continuous Disclosure and Investor Relations

Scope

This policy sets out the requirements and procedure for continuous disclosure applicable to Spicers Limited ('Spicers') in accordance with Australian law.

This policy applies to all Spicers businesses worldwide.

Spicers is committed to:

- Promoting investor confidence and ensuring that shareholders and the market are provided with factual, clear and timely disclosure of all material matters concerning the Company;
- Ensuring Spicers complies with the continuous disclosure obligations contained in the Listing Rules of the Australian Securities Exchange Limited, the disclosure requirements under the Corporations Act 2001 and the disclosure requirements pursuant to the Corporate Governance Principles and Recommendations; and
- Ensuring that all shareholders have equal and timely access to externally available information issued by the Company.

The Company can, at any time, amend all or part of this policy, at the discretion of the Managing Director and/or Chief Executive Officer ('CEO'), with approval from the Board in accordance with the Delegation of Authority Policy.

Introduction

In accordance with ASX Listing Rule 3.1, the Company shall immediately notify the ASX once 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 securities.

Chapter 6 CA of the Corporations Act requires disclosure of information not generally available to the market which is information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

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

Definitions or Clarifications

ASX Listing Rule 3.1

“Once an entity is or 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 entity’s securities, the entity must immediately tell the ASX that information”

Material effect

Information will be expected to have a material effect on the price or value of the Company’s securities, if a reasonable person would expect the information 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.

ASX suggests that two questions are asked to assist in assessing if information may have a material effect and thus be “market sensitive”:

1. “Would this information influence my decision to buy or sell securities in the entity 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?”

If the answer to either of these questions is assessed to be “yes” then that should be taken as a cautionary indication that the information may well be market sensitive and, if not subject to the ‘exception to continuous disclosure rule’, may therefore need to be disclosed to the ASX.

Market sensitive information

Information that a reasonable person would expect to have a material effect on the price or value of the Company’s Securities.

Immediately

Promptly and without delay as articulated in the ASX Guidance Note 8.

Aware

Such time that the Board and/or Management has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties.

Sometimes initial information about an event or circumstance can be such that further information or enquiries are needed in order to determine whether the information is market sensitive. In such circumstances, the Board and/or Management only becomes aware whether such information is market sensitive once these enquires have been completed, without delay, and the Board and/or Management is able to meaningfully assess the materiality of the information to the Company.

Company’s Securities

Spicers Limited (SRS) and any related securities.

The Board

The Board of Directors of Spicers Limited.

Management

Managing Director and/or Chief Executive Officer (‘CEO’), Finance Director and/or Chief Financial Officer (‘CFO’), the Company Secretary, and other Managers assisting them.

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Potentially Disclosable Information

The following non-exhaustive list of examples may require disclosure and should be discussed with the CEO and CFO, who, where necessary, will consult with other Management and Directors:

- a. A transaction that will lead to a significant change in the nature or scale of the entity's activities (refer to Listing Rule 11.1 and Guidance Note 12);
- b. A material acquisition or disposal;
- c. The granting or withdrawal of a material licence;
- d. The entry into, variation or termination of a material agreement;
- e. Becoming a plaintiff or defendant in a material law suit;
- f. The fact that the entity's earnings will be materially different from market expectations;
- g. The appointment of a liquidator, administrator or receiver;
- h. The commission of an event of default under, or other event entitling a financier to terminate, a material financial facility;
- i. Under subscriptions or over subscriptions to an issue of securities (a proposed issue of securities is separately notifiable to ASX under listing rule 3.10.3);
- j. Giving or receiving a notice of intention to make a takeover;
- k. Any rating applied by a rating agency to an entity or its securities and any change to such a rating;
- l. Decision to pay or not to pay an external dividend or distribution;
- m. Information about any undisclosed substantial shareholdings obtained under Part 6C.2 of the Corporations Act.

What is "material" in relation to the foregoing will be a matter for judgement in each particular case. The determination of materiality requires consideration of both quantitative and qualitative elements.

A matter may be disclosable even if it does not come within any of the above categories and any Director, manager or employee of the Company should immediately consult with the CEO and CFO if they believe the information may potentially be disclosable.

Exception to Continuous Disclosure Rule (ASX Listing Rule 3.1A)

The only exception to the Continuous Disclosure rule is where each of the following is satisfied in relation to the information:

- a) 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; and
- b) The information is confidential and ASX has not formed the view the information has ceased to be confidential; and
- c) A reasonable person would not expect the information to be disclosed.

Confidential information should generally not be given to third parties in the ordinary course of business activities. If commercially required for specific business reasons, confidential information may be given to third parties but the Company must retain control over the use and disclosure of the information and have the third party execute appropriate confidentiality arrangements.

Information which is not confidential does not qualify for the exceptions from disclosure. If information has been leaked, even in breach of a duty of confidentiality, it is no longer confidential and disclosure of the information to the ASX will be required immediately.

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False market (ASX Listing Rule 3.1B)

Where there is a 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 securities is moving in a way referable to such a rumour or comment.

If ASX considers that there is or is likely to be a false market in the Company's securities, the Company must immediately give ASX any relevant information needed to correct or prevent a false market. The Company is required to give the ASX this information even if an exception described in ASX Listing Rule 3.1A applies.

Market sensitive earnings surprises

In relation to market sensitive earnings surprises the ASX Guidance Note 8 outlines that if an entity becomes aware that its earnings for the current reporting period will differ (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact. This obligation may arise if the difference is of such magnitude that a reasonable person would expect it to have a material effect on the price or value of the entity's securities.

Market expectations may have been set by earnings guidance* given by the Company, earning forecasts of analysts covering the Company in the case of larger entities, or earnings results for the prior corresponding reporting period in the case of smaller entities. Market expectations may also have been set or modified by "outlook statements" included in a previous period's annual report or results announcements and by other disclosures the entity has made to the market over the reporting period (e.g. updates given at annual general meetings).

An earnings surprise will only need to be notified to the market if it is considered to be market sensitive – that is, it is of such a magnitude that a reasonable person would expect it to have a material effect on the price of the entity's securities. ASX does not consider it appropriate to lay down any general rule of thumb or percentage guidelines on when an earnings surprise may be considered to be market sensitive. ASX guidance note 8 provides extensive further analysis and examples to assist in assessing market sensitive earnings surprises.

** "earnings guidance" should be read broadly as covering any type of guidance that an entity may give in relation to its expected earnings for the current reporting period regardless of the particular measure used (e.g., operating revenue, EBITDA, EBIT, underlying profit before tax, underlying profit after tax, statutory profit after tax, or earnings per share).*

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Rules

1.1 Disclosure Responsibilities

Board of Directors

Responsibilities include ensuring the Company complies with its continuous disclosure obligations.

Any proposed announcements to the ASX may be initiated by Management, the Chairman or the Board. All announcements to the ASX require the approval of the Chairman of the Board, who will determine whether the announcement requires to be confirmed with the full Board prior to release. Generally, announcements considered to be market sensitive will be confirmed with the full Board prior to release. Financial reports, results releases, the Annual Report and notices of general meetings are required to be approved by the full Board prior to release.

Management

The CEO, CFO, Company Secretary and other any other Managers assisting them (e.g. the Investor Relations Manager) review all information of which they become aware for the purposes of ASX Listing Rule 3.1 and together as Management will be responsible for assisting the Board to ensure that the Company complies with the continuous disclosure requirements.

ASX liaison

The Company Secretary is primarily responsible for communicating and dealing with the ASX in relation to Listing Rules matters, including overseeing and coordinating disclosure of information to the ASX. While the Chairman, CEO and CFO are also authorised to deal with the ASX, this should be in conjunction with the Company Secretary as far as possible.

Chief Executive Officer and Chief Financial Officer

Responsibilities include:

- Reviewing the information including consulting with Spicers management and personnel to determine the accuracy of the information to be disclosed;
- Coordination of discussion with Management and the Board;
- Preparation of all releases to ASX by the Company and its related corporations and other Corporate Presentation material;
- Overseeing and coordinating disclosure of information to analysts, brokers, shareholders, the media and the public;
- Ensuring all information disclosed to the ASX will be promptly placed on the Spicers website;
- Overseeing and coordinating disclosure of information to the ASX;
- Obtain input from the Company Secretary on the ASX Listing Rules on Continuous Disclosure and advise the Board appropriately;
- Communicating and raising Directors and employees' awareness of this Policy;
- Reviewing the appropriateness of this Policy in term of its processes; and
- Updating this Policy as and when required to comply with the Corporations Act and ASX Listing Rules.

The CEO and CFO may be assisted in fulfilling these responsibilities by other Managers reporting to them (e.g. the Investor Relations Manager) as appropriate.

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1.2 Authorised Company spokespersons

The spokespersons for Spicers and its related company for communication with the ASX, market and financial stakeholders are as follows:

- Chairman of the Board
- Chief Executive Officer
- Chief Financial Officer
- Any other persons authorised by the Chairman from time to time

The spokespersons are entitled to clarify information publicly released through the ASX, but they should not add to, or reveal, material price sensitive matters.

The CEO and CFO should be kept advised of all discussions with the media and consulted in relation to any significant briefings or disclosures.

Trade Press

The CEO and Regional Segment General Managers are authorised spokespersons with trade press. Regional segment General Managers must only cover topics relevant to their region and are not authorised to speak to the trade press on group related matters.

Any spokespersons dealing with trade press must adhere to this Policy at all times.

1.3 Reporting Processes

An employee who is aware of any potentially market sensitive information must as soon as practical inform their head of department/business unit before escalating the matter to the CEO and CFO.

Disclosure issues are standing items at Spicers Limited Board of Directors meetings.

Every Board director and Management executive is required to consider on an ongoing basis whether they have knowledge or information that may require disclosure by the Company under its continuous disclosure obligations. Any potential matters for disclosure should be brought to the attention of the CEO and CFO.

The CEO and CFO should be present at all Spicers Limited Board of Directors and Executive Team meetings and should be provided with the Country monthly reports.

1.4 Approval Process

All announcements to the ASX require the approval of the Chairman of the Board, who will determine whether the announcement requires to be confirmed with the full Board prior to release. Generally, announcements considered to be market sensitive will be confirmed with the full Board prior to release.

Financial reports, (full-year and half-year) results releases, the Annual Report and notices of general meetings are required to be approved by the full Board prior to release.

1.5 Trading Halt

When the Company has established that market sensitive information exists but is not yet in the position to make an announcement, in the absence of time and or the availability of all Directors, the Chairman can decide that the Company request a trading halt on the Company's securities. In absence of the Chairman, the Chairman of the Audit & Risk Committee may make that decision.

1.6 Investor Relations

Contact with the financial market (“market discussions”)

The Company interacts regularly with the financial market in a variety of ways including results 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.

Comments confined to factual matters

The Company recognises that it is important to have financial 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.

Company representation at market discussions

In relation to external briefings on the Company, either, or both, of the CEO and CFO should be present. If the CFO is not present, one of the Company persons present will be nominated to take notes of what is said. These notes will be provided to the CFO as soon as practicable after the discussions. Any information that is considered to be material and market sensitive, which has not previously been announced to the market and is inadvertently released, should be immediately released to the ASX.

Slides and presentations used in market discussions should be given to the CFO who, in consultation with the CEO and any other Managers assisting, will determine whether all information has been previously disclosed to the market or may require disclosure.

Advance provision of briefing materials

Any material and market sensitive information in slides and presentation materials proposed to be used at a briefing will, if not previously disclosed, be disclosed to the ASX and placed on the Company's website as soon as receipt of confirmation has been received from the ASX.

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.

Earnings forecasts are complex and based upon a wide range of assumptions beyond the Company's control. The Company will not comment upon nor endorse external earnings projections. However, where the assumptions are materially incorrect, misleading or has the likelihood of impacting the price of the Company's securities, the Company may make an announcement to clarify its position.

Review of draft analyst reports

Where analysts send draft reports to the Company to comment, they must immediately be referred to the CEO and CFO.

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.

Responding on financial projections and reports

Comments on any of Company's financial projections and reports will only be made in relation to material that has already been publicly disclosed to the market. Where the Company has not disclosed any financial projections or earnings expectations to the

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market comments on financial information will be limited to historic financial reports already publicly disclosed to the market.

The Company will publicly announce any material change in any earnings expectations before commenting to anyone outside the Company.

Media monitoring

The Company has an internal process to monitor social media. If the Company is undertaking a potential transaction, it usually engages a media adviser to assist with monitoring media coverage.

Disclosure of Corporate Governance compliance

The Company will include in its Corporate Governance Statement that accompanies its Annual Report, and/or make publicly available by posting on 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.

General Meetings

Notice of general meeting is provided to all shareholders in accordance with the Corporations Act and ASX Listing Rules. Shareholders are encouraged to ask questions at the general meeting or to send their questions to the Company ahead of the general meeting either in writing or through the "Contact Us" on the Spicers Limited website so that the Company could prepare and give a comprehensive response at the general meeting.

E-Communication

Shareholders and any persons may subscribe to receive the Company's latest ASX announcements via e-mail by registering their email address at "Register For News" on the Spicers website. Alternatively, they can go to the Spicers website to download the announcement. All Spicers ASX announcements will be placed on the Spicers Limited website as soon as practical after the Company receives the ASX confirmation.

All Spicers Limited ASX announcements can be obtained from the Spicers Limited and ASX websites.

1.7 Breaches of this policy

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

References

- *ASX Listing Rules*
- *ASX Guidance Note 8*
- *ASX Corporate Governance Principles & Recommendations*
- *Australian Corporations Act*