

## ANSELL LIMITED

### LEGAL OBLIGATIONS IN RELATION TO CONTINUOUS DISCLOSURE

(Revised 20 May 2008)

#### 1. Introduction

Ansell is required by both the Corporations Act 2001 and the ASX Listing Rules to make continuous disclosure to the market in relation to material price sensitive information.

This paper outlines procedures to ensure that Officers and Directors of Ansell comply with these obligations and to reinforce the need for Directors to consider the continuous disclosure obligations of significant matters that arise in the discharge of their duties, particularly in relation to dealings with the media, analysts, trading partners or new investors.

In accordance with general corporate practice, Ansell has limited the number of Officers authorised to comment on behalf of the Company. The Company Secretary is responsible for all communications with the ASX in relation to Listing Rule matters and generally coordinates disclosure to the ASX and the public. If a Director or other Officer has any queries relating to continuous disclosure, those queries should be directed to the Company Secretary. In addition, the Company has appointed the Managing Director, Chief Financial Officer, Senior Vice President Human Resources and Communications and General Manager Finance & Treasury, as spokespersons of the Company.

Within this general principle, if a matter is the subject of a public (ASX) release, not material or responding to the query does not require a discussion of material information, a Director may comment without raising the possibility that the Company may breach its continuous disclosure obligations.

If, however, the question relates to a material issue that is not within the scope of previous ASX releases or other public documents, a Director should:

- (1) limit comments to previously disclosed information; or
- (2) (where the answer would involve disclosure of previously undisclosed information) take the question on notice or, if necessary, answer and immediately notify the Company Secretary or other appropriate officer to determine if specific disclosure to the market is required.

Officers should take the question on notice and refer the matter to the Company Secretary for a response.

#### 2. Obligation to disclose

Ansell Limited has obligations under both ASX Listing Rule 3.1 and Corporations Act section 674 to notify the ASX (and thereby keep the market fully informed) of:

*Any information of which Ansell Limited becomes aware, concerning Ansell Limited that a reasonable person would expect to have a material effect on the price or value of any securities issued by Ansell Limited.*



Ansell must, subject to a number of relevant exceptions, immediately disclose to the ASX as soon as it becomes aware, any information that may affect the investment decisions of persons who commonly invest in shares.

In addition, Listing Rule 15.7 provides Ansell must not release such information to any person (for example, the media) until it has given the information to the ASX, and has received an acknowledgment that the ASX has released the information to the market.

### 3. Examples of information which must be disclosed

Significant new information as to financial conditions, final or near final transactions and matters which may significantly affect Ansell's reputation should clearly be considered for disclosure.

Examples of circumstances where disclosure is required include:

- financial information – this may extend beyond the periodic reporting requirements of the Company;
- where market trends or any other events materially affect the profitability of the Company (as a rule of thumb, an amount above 5% or more might be considered material or a variation in a company's previously released financial forecast in excess of 10% to 15% may be considered material);
- settlement of claims in litigation involving the payment of damages, even if confidential;
- execution of formal contracts or binding heads of agreement where these are not conditional upon a matter seriously in doubt, and where the relevant negotiations are complete.

These examples are not an exhaustive list. As soon as a Director or Officer becomes aware of information:

- that is not generally available (eg information which has not been included in any Annual Report, ASX Release or any other publication of Ansell); and
- which may be price sensitive (eg is likely to have a financial or reputational impact upon Ansell that may be considered material),

then the Director or Officer, as appropriate, should inform the Company Secretary.

### 4. Exceptions to the continuous disclosure obligations

Disclosure is not required where:

- a reasonable person would not expect the information to be disclosed – eg: if disclosure would cause undue prejudice to the Company; **and**
- the information is confidential; **and**
- 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 entity;
  - the information is a trade secret.



If any of the three requirements are, at any time, not met, then Ansell must immediately release the information to the market.

The Company's policy, which accords with the ASX's view of confidentiality noted below, is that information given to the Company's advisors for purposes relevant to the Company's business and activities must be restricted to those purposes and must be given on condition that the advisors acknowledge the confidentiality of the material and that they cannot trade in the Company's securities until the information is released to the market. The Company also requires that persons to whom information is provided on a confidential basis must inform it immediately if the information is no longer confidential.

The ASX has indicated that:

- (a) information is confidential if:
  - it is only in the possession of persons who have a legitimate interest in it and who exert control over its dissemination; and
  - those persons acknowledge that they are not able to trade in securities of the entity until that information is released to the market; and
- (b) information will not be confidential if:
  - it, or part of it, is released by the Company, either selectively or generally, whether inadvertently or deliberately;
  - it becomes available from other sources.

## 5. Materiality

The obligation to disclose information under Listing Rule 3.1 applies to information which may have a material effect on the price or value of Ansell's securities.

The concept of materiality for the purposes of Listing Rule 3.1 is a complicated one and depends on the factual circumstances of the information and the entity. Information which is not material can be discussed with, for example, media or analysts. **However**, if a Director believes a matter or specific information **may have a material effect** on the price or value of Ansell's securities, the Director or Officer should discuss the issue with the Company Secretary, and respond to queries as if the information/matter was material.

## 6. Guidelines for Directors dealing with media / analysts (selective briefings) and responding to market speculation

In responding to comments by, or queries from, the media, or market speculation generally, Directors should follow the following guidelines:

### 6.1 Media interviews and queries

The following guidelines apply in relation to media interviews and queries:

- if possible, Directors should agree the scope of the interview beforehand and ensure proposed discussion topics and answers are notified to the Company Secretary;

- if the media representative indicates that questions are likely to focus on a particular matter, the Director should ensure that he or she has been briefed as to the Company's public position and as to information previously been disclosed on point. If, however, it is not possible to determine the format of questioning prior to the interview, Directors should ensure that they have been briefed as to information that has been publicly disclosed by the Company on current topical matters, so that Directors are aware of the Company's public position;
- when answering a question relating to a material issue raised, the Director may:
  - (a) restate information which has previously been publicly released; or
  - (b) if the answer requires provision of information which may not have previously been made public, either:
    - (1) take the question on notice and indicate to the reporter that the Director will call back with the answer; or
    - (2) if it is absolutely necessary to make a comment, notify the Company Secretary **immediately** following the conclusion of the interview to determine if the Company needs to make immediate release to the ASX.

As a general principle Directors should still be able to comment on immaterial matters (ie those which would not have a material effect on the price of the Company's securities). **However**, if a Director believes a matter or specific information **may have a material effect** on the price or value of Ansell's securities, the Director or Officer should discuss the issue with the Company Secretary, and respond to queries as if the information/matter was material.

The Company's guidelines accord with the guidance notes and guidelines for selective briefings (both analyst briefings and media interviews/queries) published by ASX and ASIC, as discussed below.

## 6.2 Analyst briefings

The following guidelines apply in relation to analyst briefings:

- (a) prior to any analyst's briefings, Directors should ensure that any slides and presentations to be used are provided to ASX and then posted on the Company's web-site and that they are briefed as to the Company's public position and information previously disclosed.
- (b) during the briefing, Directors should:
  - take care with questions which are outside the anticipated scope of the briefing; and
  - if a question can only be answered by disclosing price sensitive information, decline to answer or take it on notice, then liaise with the Company Secretary to disclose the relevant information to ASX before responding.

- (c) after the briefing, Directors should, in consultation with the Company Secretary:
- carefully review what was said to ensure that no price sensitive information was disclosed; and
  - if any price-sensitive information was disclosed, arrange for the information to be released first to ASX and then posted on the Company's web-site.

These guidelines accord with the guidance notes and guidelines published by ASX and ASIC.

ASX's view is that listed entities should only respond to queries from analysts and reporters by reference to previously released information. The ASX's view is that it is inappropriate for an analyst or reporter's question to be answered, or an analyst's draft report to be corrected, if doing so involves providing material information that is not public. ASX notes that a company may be able to answer an analyst's question in general terms or without giving detailed disclosure. However, it confirms that the entity must have released that information to the ASX before disclosing it to any other party. If material information that is not public is inadvertently disclosed in responding to queries (or needs to be disclosed to provide a correct response), the ASX requires that the information be disclosed to the market immediately (ie before the response is provided to the query). If this does not occur the company is likely to be queried by ASX. The ASIC guidelines address these issues in a similar manner.

### 6.3 Addressing market speculation

If Directors become aware of market speculation in relation to the Company (for example, a new transaction or a change in the profit forecast) they should immediately notify the Chairman, the Managing Director and / or the Company Secretary. Those persons will determine whether any statement must be made to the ASX in relation to that market speculation, having regard to the specificity of the speculation, and whether the market appears to be moving in a manner referable to the speculation.

There have been a number of instances in the past 12 months in which the ASX has asked companies to explain or comment on media speculation in relation to previously undisclosed issues. The ASX has indicated that a company must issue a statement in relation to a market rumour or speculation where the speculation is reasonably specific; and/or the market moves in a way that appears to be referable to the rumour or speculation. If a company does not issue a statement, ASX may call on the company to make a statement in these circumstances. ASX has indicated that disclosure is required under Listing Rule 3.1 if a reasonable person would expect the company to give to the ASX in order to prevent a false market in the company's securities and to ensure investors are not trading on false or misleading information or if the ASX has asked the company to provide information to prevent a "false market" in the company's securities.

## 7. **Trading halts and suspension of quotation**

The ASX requires companies to consider whether a trading halt or the suspension of quotation of securities is appropriate where it is not possible to properly inform the market without disclosing highly sensitive or confidential information.

The ASX may impose a trading halt or a suspension in the interests of keeping the market informed.



## **8. Liabilities**

As a listed company on the ASX, it is essential that Ansell complies with its continuous disclosure obligations in order to keep the market fully informed. Ansell contravenes its continuous disclosure obligations if it fails to immediately notify the ASX of material price sensitive information.

A contravention of these obligations could result in:

- criminal sanctions being brought against Directors, Officers and advisers of Ansell;
- Ansell being liable to compensate any investor who suffers loss or damage as a result of that contravention; or
- trading in Ansell's securities on the ASX being suspended.