



FOSTER'S GROUP LIMITED (THE "COMPANY")

DISCLOSURE POLICY

1. Continuous Disclosure Obligations

1.1 Introduction

As the Company is an Australian company listed on the Australian Securities Exchange (**ASX**), the Company is subject to the Corporations Act 2001 (Cth) (**Corporations Act**) and the ASX Listing Rules. The Corporations Act and the ASX Listing Rules impose obligations on the Company, all employees of the Group including the Directors of the Company, Executive Officers and Senior Executives in relation to the immediate disclosure of information that could affect the price or value of the Company shares.

As our employees could face penalties and even imprisonment for failure to comply with the continuous disclosure obligations, it is very important that you understand the obligations, policy and procedures set out in this document. Accordingly, you should read this entire document carefully.

The core message is that it is the responsibility of each employee to communicate to the Company Secretary any information regarding the Company that may have a "material effect" on the price or value of the Company's shares as soon as you become aware of that information. What constitutes a "material effect" is examined in section 2.3 below.

The Company Secretary is responsible for monitoring compliance with the policy and procedures set out in this document. In exercising this authority the Company Secretary must consult, whenever possible, with the Chairman and the Chief Executive Officer. The Company Secretary is currently Martin Hudson and he can be contacted for any reason either by:

- phone on +61 3 9633 2017, or
- email: martin.hudson@fostersgroup.com

If he is unavailable, contact the Assistant Company Secretary, Robert Dudfield, either by:

- phone on +61 3 9633 2533, or
- email: robert.dudfield@fostersgroup.com

1.2 Who does this apply to?

This policy and the procedures apply to all employees of the Group including the Directors of the Company, Executive Officers and Senior Executives.

An **Executive Officer** is a person who is concerned in, or takes part in, the management of the Company (regardless of the person's designation and whether or not the person is a director of the Company).

Senior Executives include:

- (a) the Chief Executive Officer,
- (b) persons with direct reporting responsibilities to the Chief Executive Officer (the **Foster's Leadership Team**); and
- (c) persons with direct reporting responsibilities to one of those persons.

2. Policy

2.1 Policy

The policy of the Company is:

Unless an exception applies, the Company will immediately notify the market by an announcement to the ASX 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.

2.2 Materiality

In applying the policy, a threshold will be applied. Information must only be disclosed if it would have a **material** effect on the price or value of the Company shares.

Information is 'material' if the information would, or would be likely to, influence investors in deciding whether to buy, hold or sell the Company shares.

This is a qualitative test, with assessment of the information occurring in the context of the Company's business activities, size and place in the market. Previous disclosures to the market, and their effect on the price or value of the Company shares, must also be considered.

If you are in any doubt on these matters you must always consult the Company Secretary.

2.3 Role of Directors, Executive Officers and Senior Executives

You should note that, under the ASX Listing Rules, the Company is taken to be **aware of** (and therefore under a duty to disclose) information which a Director, Executive Officer or Senior Executive possesses or ought reasonably to have acquired in the course of their duties. Accordingly, those people should immediately communicate any information in accordance with the procedures set out in this policy.

2.4 Applying the policy in practice

To assist you in understanding the policy, annexed to this document are some examples of how the continuous disclosure obligations and exceptions operate (See Annexure 1).

It may also be helpful to assess the information by reference to the questions set out in the Decision Tree annexed to this document (see Annexure 2).

Please note that Annexures 1 and 2 are not definitive as there may be other relevant factors which alter the conclusions. That is why you must always consult the Company Secretary whenever you are uncertain.

3. Procedures

3.1 Reporting material information

The Company Secretary is responsible for monitoring compliance with the policy.

As soon as you become aware of any material price or value sensitive information or proposal, you must inform the Company Secretary.

It can often be difficult to determine whether information you possess is material price or value sensitive information. It is therefore recommended that you should always speak to the Company Secretary if you are uncertain.

3.2 Communication of information

The Company must not release information publicly that is required to be disclosed to the ASX until it has received formal confirmation of its release to the market by the ASX. The Company Secretary will verify receipt of such confirmation.

All information disclosed to the ASX in compliance with this policy and procedures will be promptly placed on the Company's website following verification by the Company Secretary.

3.3 Authorised spokespersons

The only Company employees authorised to speak externally (particularly to the media) in relation to any matters the subject of this policy are those referred to in section 4.2 below.

3.4 Trading halts

It may be necessary to request a trading halt from the ASX to ensure that orderly trading in the Company shares is maintained and to manage disclosure issues. The Chief Executive Officer in consultation with the Chairman, Chief Financial Officer and Company Secretary, and, where practicable, the Directors, will make all decisions in relation to trading halts. No Company employee is authorised to seek a trading halt except with the approval of the Chief Executive Officer.

3.5 False Markets – Managing market speculation and rumours

Market speculation and rumours, substantiated or otherwise, may potentially impact upon the Company.

In responding to market speculation or rumours from investors, analysts or the media, the following comment will normally be made: *The Company does not respond to market speculation or rumours.*

If the Company receives an enquiry from the ASX, the Company Secretary will endeavour to resolve the matter informally with the ASX, after consultation with the Chairman and Chief Executive Officer and external advisers if necessary.

If the Company receives a formal request from the ASX to give it information to correct or prevent a false market in the Company's shares, the Company Secretary (in liaison with the Chief Executive Officer, Directors and external advisers if necessary) will provide to the ASX the information necessary to correct or prevent a false market.

3.6 Responsibilities of Company Secretary

As a consequence of this policy, the Company Secretary is responsible for:

- (a) overseeing the Company's continuous disclosure policy and procedures and ensuring that the Company complies with its continuous disclosure obligations;
- (b) reviewing proposed announcements of the Company to the ASX and liaising with Directors (as the Company Secretary deems appropriate) in relation to their form and content;
- (c) ensuring timely disclosure to the ASX in accordance with "ASX Online" electronic lodgement requirements;
- (d) ensuring timely posting of ASX releases on the Company's website;
- (e) circulating the disclosure policy to Directors, Executive Officers, Senior Executives and all employees of the Company and its subsidiaries (*Group*) as soon as possible after its review each year;
- (f) recording all ASX and other releases made by the Company; and
- (g) regularly reviewing the Company's disclosure policy in light of changes to the Corporations Act and ASX Listing Rules, and recommending changes to the Board where appropriate.

4. Communications

4.1 Rule

The rule relating to briefings:

The Company must ensure that it does not communicate material price or value sensitive information to an external party (other than its professional advisers or bankers, subject to a duty of confidence) except where that information has previously been released publicly through the ASX.

4.2 Authorised spokespersons

Depending on the context and subject matter of the disclosure, the only Company officers and employees authorised to speak on behalf of the Company to the media, institutional investors and stockbroking analysts are:

- (a) the Chairman;
- (b) the Chief Executive Officer;
- (c) the Chief Financial Officer;
- (d) the Company Secretary;
- (e) the Investor Relations Director (where the context permits), and
- (f) the Corporate and AAP Communications Director,

or the persons to whom (with prior approval of either the Chairman or the Chief Executive Officer) they specifically delegate these functions.

The Company Secretary must be told of all information to be disclosed in advance, including any written briefing or presentation materials, and, where necessary, the Company Secretary will outline the Company's disclosure history on the issue to be discussed to the relevant person before they brief anyone outside the Company.

Authorised spokespersons may clarify information that the Company has released publicly through the ASX but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

If any other employee receives a request for comment from an external investor, analyst or the media in relation to a matter concerning the Company, they must advise that person that they are not authorised to speak on behalf of the Company and must refer all enquiries to the Investor Relations Department or, failing them, the Company Secretary.

For the avoidance of doubt the only persons authorised to comment publicly on the financial affairs of the Company are the Chairman, Chief Executive Officer, Chief Financial Officer and the Company Secretary and their authorised spokespersons.

4.3 Preparation of Materials

Group Corporate Affairs is responsible for liaising with the media and preparing ASX announcements and news releases to be approved by the Chief Executive Officer, the Chief Financial Officer, the Corporate and AAP Communications Director and Group Investor Relations prior to release. All ASX announcements will be reviewed by the Company Secretary prior to release to the ASX.

Group Investor Relations is responsible for dealing with investor and analyst communications.

The Assistant Company Secretary has been appointed the person responsible for communication with the ASX in relation to ASX Listing Rule matters.

ASX announcements will not be communicated to analysts, the media, Group employees or the public until the ASX confirms the release to the market.

4.4 Handling unanticipated questions

Only information that has been publicly released through the ASX may be discussed publicly by authorised persons (see section 4.2 above).

If a question is asked which can only be answered by disclosing material price or value sensitive information which has not been publicly released, the authorised spokesperson must decline to answer the question or take the question on notice. If necessary, the information should be announced to the ASX before responding to the question.

If any Company employee participating in any briefing considers that a matter has been raised that might constitute a previously undisclosed material price or value sensitive matter, they must immediately refer the matter to the Company Secretary.

4.5 Communication of information

The Company will provide the following information on its website (www.fostersgroup.com):

- (a) All ASX announcements;
- (b) Its Annual Report, Business Review and financial result announcements;
- (c) Speeches and support material (including slides) given at investor conferences, briefings or presentations;
- (d) Transcripts and electronic presentations to the media and analysts; and
- (e) The Company's profile and contact details.

The Company will advise the market in advance through the ASX and on the Company's website of all briefings. All briefing and presentation materials will be disclosed to the market through the ASX and placed on the Company website.

All information disclosed to the ASX in compliance with this policy will be placed on the website following verification by the Company Secretary.

4.6 Earnings expectations

The Company may disclose earnings expectations through the ASX by announcing a range within which earnings are likely to fall. Where the Company has made such disclosure, any change in earnings expectations must be announced to the ASX before being communicated to anyone outside the Company.

4.7 Responding on financial projections and reports

The Company is not responsible for, and does not endorse, analysts' reports that contain commentary on the Company.

The Company does not incorporate analysts' reports in any Company corporate information, including the Company website (the policy also extends to hypertext links to analysts' websites).

Save, in order to comply with section 3.5 above, the Company will not provide undisclosed material price or value sensitive information in response to such reports. The analysts' reports 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 content of the report.

Save, in order to comply with section 3.5 above, the Company will not comment on any profit forecasts that may be contained in an analyst's report. However, the Company may produce a "consensus" summary of analysts' forecasts.

The above disclaimers will be provided in any response made to an analyst.

Other than the Chief Executive Officer, the Chief Financial Officer and the Investor Relations Director no other person may comment on an analyst's draft report.

4.8 Closed Periods

The Company adopts a closed period between the close of the relevant financial period and the date the results for that financial period are released. During a closed period, the Company will not allow meetings between investors and the Foster's Leadership Team or other briefings with the media other than in exceptional circumstances and then subject to adherence with strict conditions.

Where appropriate, and provided that the limitations on any discussion of performance (financial or operational) is made explicit, permission may be granted for an investor meeting or media briefing to discuss the Group's broad strategy. Particular attention will be paid to a detailed record of any such meeting.

5. Company Contacts

If you have any questions in relation to this Policy, you should contact:

- The Company Secretary, who is currently Martin Hudson. He can be contacted either by phone (+61 3 9633 2017) or by email (martin.hudson@fostersgroup.com); or
- If the Company Secretary is unavailable, the Assistant Company Secretary, who is currently Robert Dudfield. He can be contacted either by phone (+61 3 9633 2533) or by email (robert.dudfield@fostersgroup.com).

6. Review of this Policy

This Policy is subject to an annual review by the Board and will be amended (as appropriate).

7. Access to the Policy

This Policy will be available for viewing by any employee of the Group on the Portal and by any other person on the Company's website.

8. Consequences of breach

You should be aware of the consequences of breaching the policy and procedures.

8.1 Criminal liability

Any intentional, knowing, reckless or negligent breach of the continuous disclosure obligations by the Company, our Directors, Executive Officers or Senior Executives is an offence. The penalty for contravention by an individual is a fine of up to \$22,000 and/or up to five years imprisonment. In addition, the Company may be fined up to \$110,000.

8.2 Civil liability

Anyone who suffers loss as a result of an intentional, knowing, reckless or negligent contravention may sue the Company, and any person involved in the contravention, for damages. Awarded damages could be very high. If a vital piece of information is not disclosed, or is disclosed late, investors who have acted in the meantime, by buying or selling the Company shares, might argue that they would have acted differently had the information been disclosed and therefore the contravention has caused them to make a loss.

8.3 Civil penalty orders

Directors, Executive Officers, Senior Executives and employees generally may also be liable for breach of their individual duties of care, resulting in the imposition of a civil penalty order on that person, including a pecuniary penalty of up to \$200,000 or a compensation order. In addition, the Company may be liable to pay a pecuniary penalty of up to \$1 million or a compensation order. Relief from such penalties may be granted where the person has acted honestly.

8.4 Infringement Notice

If ASIC, after notifying the Company, and holding a hearing, decides that the Company has contravened its Continuous Disclosure obligations, it may issue an infringement notice against the Company. The Company may satisfy the notice by paying a penalty of \$100,000 and remedying the inadequate disclosure. Alternatively, it may choose not to comply with the notice and defend any civil proceedings that may subsequently be brought by ASIC relating to the alleged contravention.

8.5 Remedial and disqualification orders

In the event of a contravention, the Company, and any other person involved in the contravention, could be subject to remedial or disqualification orders. For example, the court could order the Company to refund money or return property to a person who suffered loss as a result of the contravention, or to publish information to the public or individual people, by way of advertisement or otherwise. In addition, Directors, Executive Officers, Senior Executives and employees generally may be disqualified from managing any company (including the Company) for a period which the court considers appropriate.

8.6 Suspension

ASX may suspend the Company's shares from quotation or remove the Company from the official list if, in ASX's opinion, the Company is unable or unwilling to comply with, or breaches, a listing rule.

8.7 Disciplinary action

Breaches by employees of this policy and the procedures may lead to disciplinary action, including dismissal in serious cases.

Annexure 1 - Examples

These examples assume that the amounts involved are large enough to have a **material effect** on the price or value of the Company's shares. You should remember that these are examples only, and should not be considered as an exhaustive list of possible circumstances in which disclosure may be required by the Company. For example, if some of the matters which are described as not requiring disclosure are otherwise made public (eg, through a leak to the media), an announcement to the ASX may be required to ensure that the market is fully and properly informed.

1. *The Company receives a serious claim from a third party, prior to commencement of proceedings.*

Disclosure of the claim would normally be required unless the Company has received legal advice that the claim is without foundation or unlikely to succeed.

2. *The Company enters into a confidential settlement of a claim involving payment of damages.*

Disclosure of the amount of the settlement and other material terms would normally be required. This is so even if the proposed claim were never made public.

3. *The Company reaches agreement in principle for a major contract (or acquisition or disposal), but has not as yet signed any formal agreements.*

Disclosure would not normally be required, unless the signing of the contract was merely a formality. If binding heads of agreement were entered into and the contract was subject to conditions precedent, then disclosure would normally be required unless satisfaction of the conditions was really in doubt.

If the heads of agreement were not binding, disclosure may be delayed as it could be said that the proposal is incomplete.

4. *The Company signs a formal acquisition agreement but the contract is conditional on loan funding.*

Disclosure would normally be required, stating that the contract is conditional upon loan funding being approved. Only if there is real doubt about the loan funding being obtained would this example come within the concept of an incomplete proposal or negotiation.

5. *The Company is considering entering into a joint venture and holds preliminary discussions with prospective joint venture partners as to their willingness to explore the possibility.*

Disclosure would not normally be required. The information concerns either an incomplete proposal or negotiation or is insufficiently definite to warrant disclosure.

6. *The amounts shown in the accounts of the Company may need to be written down but the precise figure is not known.*

If the Company Board does not have enough information to decide whether an adjustment needs to be made, disclosure normally is not required. However, if there were enough information to decide that an adjustment must be made and the amount involved is material, even though no decision has been made as to the amount of the write down, disclosure would normally be required. The decision has been made, and the fact that the precise figure has not yet been received is irrelevant.

Annexure 2 – Decision Tree

1. *Has the information come into the possession of any employee of the Company (including a Director, Executive Officer or Senior Executive)?*

Yes Go to the next question

No Disclosure by the Company not necessary

2. *Does the information concern the Company?*

Yes Go to next question

No Disclosure by the Company not necessary

3. *Is the information generally known, or observable by share market investors?*

Yes Disclosure by the Company not necessary

No or don't know Go to next question

4. *Is the information likely to have a material effect on the price or value of the Company shares?*

Yes or don't know Go to next question

No Disclosure by the Company not necessary

5. *Is the information likely to influence investors in deciding whether to buy or sell the Company shares?*

Yes or don't know Go to next question

No Disclosure by the Company not necessary

6. *Would a reasonable person expect the Company to disclose the information to the market?*

Yes Disclosure by the Company required

No or don't know Go to next question

7. *Is the information confidential (ie. is everyone who knows, obliged to keep it secret?)*

Yes Go to next question

No Disclosure required

8. *Would it be a breach of law to disclose the information?*

Yes Disclosure by the Company not required

No Go to next question

9. *Is the information part of an incomplete proposal?*

Yes Disclosure not yet required but review when completed

No Go to next question

10. *Does the information relate to a current negotiation?*

Yes Disclosure not yet required but review when completed

No Go to next question

11. *Is the information reasonably certain?*

Yes Go to next question

No Disclosure by the Company not required

12. *Has the information been generated for internal management purposes only?*

Yes Disclosure by the Company not required

No Go to next question

13. *Is the information a trade secret (eg confidential processes, ingredients, methods, ideas, know-how, inventions or software?)*

Yes Disclosure by the Company not required

No Disclosure required