



Arq Group Disclosure Policy

1. Introduction

- 1.1 Under continuous disclosure laws, Arq Group Limited (**Arq Group** or the **Company**) must immediately notify the Australian Securities Exchange (**ASX**) of materially price sensitive information (unless an exception applies). The ASX requires that the share market is kept continuously informed of such information.
- 1.2 Failure to notify the ASX can be a serious criminal offence, exposing Arq Group, its managers and directors to imprisonment, fines and damages.
- 1.3 For the purposes of this policy, “Arq Group Person” means each director of Arq Group, the Chief Executive Officer, the Chief Financial Officer and Company Secretary of Arq Group, Key Management Personnel (as has the meaning given in the Corporations Act 2001 (Cth) (Corporations Act)) and any other persons as the Board or its authorised representative decides from time to time.
- 1.4 This policy applies to all directors, officers, employees and all other people who work at Arq Group (including consultants and contractors).

2. Continuous disclosure principle

- 2.1 ASX listing rule (**LR**) 3.1 requires Arq Group to immediately notify the ASX if it has, or becomes aware of, any information concerning Arq Group that a reasonable person would expect to have a material effect on the price or value of Arq Group’s securities were that information to be generally available. This is known as the continuous disclosure obligation. Arq Group is also required by section 674 of the Corporations Act to comply with this obligation. In this context, ASX has confirmed in Guidance Note 8 that “immediately” means “promptly and without delay”.
- 2.2 LR 15.7 requires that Arq Group must not release information that is for release to the market to any person until it has given the information to the ASX and has received acknowledgment that the ASX has released the information to the market.
- 2.3 The continuous disclosure obligation does not apply if the exception to the obligation outlined in section 3 of this policy applies.
- 2.4 Any material price sensitive information must be disclosed to the ASX in accordance with this policy.





3. Exception to the continuous disclosure principle

3.1 Availability of the exception

- (a) Disclosure under LR 3.1 is not required if each of the following is satisfied in relation to the information:
 - (i) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
 - (ii) one or more of the following applies:
 - (A) it would be a breach of a law to disclose the information;
 - (B) the information concerns an incomplete proposal or negotiation;
 - (C) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (D) the information is generated for the internal management purposes of Arq Group; or
 - (E) the information is a trade secret; and
 - (iii) a reasonable person would not expect the information to be disclosed.
- (b) All three elements set out above must be satisfied before the exception to the continuous disclosure obligation applies. Should any of these elements no longer be satisfied, Arq Group must immediately disclose the information to the ASX in accordance with this policy.

3.2 A false market may cause the exception to be lost

- (a) LR 3.1B provides that if the ASX considers that there is, or is likely to be, a false market in Arq Group's securities, and requests information from Arq Group to correct or prevent the false market, Arq Group must give the ASX the information needed to correct or prevent the false market.

4. Disclosure Committee

- 4.1 Arq Group's board of directors (**Board**) has established a disclosure committee (**Committee**) comprising of:
 - (a) Arq Group's Chief Executive Officer;
 - (b) Arq Group's Chief Financial Officer; and
 - (c) the Chair of the Board.





- 4.2 The Committee's responsibilities include:
- (a) determining what information will be disclosed by Arq Group to the ASX;
 - (b) implementing procedures to ensure that, if required:
 - (i) disclosures to the ASX can be made immediately; and
 - (ii) trading halt requests can be lodged with the ASX immediately;
 - (c) preparing (or overseeing the preparation of) external announcements (other than categories of routine announcements that the Committee determines may be prepared and released without its prior review, if any);
 - (d) reviewing and approving proposed external announcements for release to ASX, or, if (e) applies, referring to the Board for approval; and
 - (e) instructing and authorising the Disclosure Officer.
- 4.3 The Board has appointed the Chief Executive Officer and the Company Secretary as Disclosure Officers, severally.
- 4.4 The Committee must consult with the Board, senior management and external advisers as it considers necessary, including where there is doubt as to whether certain information should be disclosed.
- 4.5 If the Chief Executive Officer or the Committee considers that an announcement is of such a nature that it ought to be approved by the Board or the Board has directed that the nature of such an announcement requires Board approval, then the Disclosure Officer must:
- (a) take all steps necessary to convene a Board meeting or meeting of a designated committee of the Board as soon as practicable to consider and approve the announcement; and
 - (b) take such other steps as the Committee determines are necessary to comply with Arq Group's continuous disclosure obligations, including, if necessary, liaising with ASX to request a trading halt or suspension from trading until the Board or a designated committee of the Board is able to meet.
- 4.6 A quorum of the Committee is two members, one of which must be a non-executive director. If a quorum cannot be formed from the Committee members listed in paragraph 4.1, the following will be added as members of the Committee (in the order specified), until a quorum can be formed:
- (a) the chair of the Audit and Risk Management Committee; and
 - (b) another member of the Audit and Risk Management Committee.





- 4.7 Where a continuous disclosure obligation arises, disclosure should not be delayed to accommodate the availability of members of the Committee or, if applicable, the Board. If either the Committee (or, in the case of announcements to be approved by the Board, the Board) is unavailable to make a disclosure decision, the Disclosure Officer must take such other steps as he or she determines is necessary to comply with Arq Group's continuous disclosure obligations, including, if necessary, liaising with ASX to request a trading halt or suspension from trading until the Committee or the Board is able to meet.

5. Reporting obligations

- 5.1 The Disclosure Officer is responsible for ensuring that all Board decisions that must be disclosed to the ASX are dealt with by an appropriate company announcement.
- 5.2 All Arq Group Persons are required to immediately advise a member of the Committee of any information that they believe may be price sensitive or any issues which could develop into price sensitive information. If an Arq Group Person has doubt as to whether information concerning Arq Group is price sensitive, the Arq Group Person must report that information to a member of the Committee. He or she must not disclose that information to anyone outside Arq Group before the ASX is notified.

- 5.3 If any Arq Group Person becomes aware that:

- (a) there may have been inadvertent disclosure of material price sensitive information (which has not yet been disclosed to the ASX) during any communication with external parties; or
- (b) confidential Arq Group information may have been leaked (whatever its source),

he or she must immediately notify a member of the Committee. The Committee will determine the appropriate next steps.

6. Disclosure

- 6.1 If the Committee, Board or designated committee of the Board (as applicable) approves the disclosure of information, the Disclosure Officer must immediately lodge that information with the ASX in the manner prescribed by the ASX Listing Rules.
- 6.2 Arq Group must not release information that is for release to the market to any person until it has given the information to the ASX and has received acknowledgment that the ASX has released the information to the market.
- 6.3 This policy and all information disclosed to the ASX in compliance with this policy will be promptly posted on Arq Group's corporate website following receipt of such an acknowledgement from the ASX and verification by the Disclosure Officer.





7. Trading halts

- 7.1 In exceptional circumstances, it may be necessary for Arq Group to request a trading halt to maintain fair, orderly and informed trading in Arq Group's shares and to manage disclosure issues (for example, if confidential price sensitive information is prematurely or inadvertently disclosed and an immediate release cannot be made).
- 7.2 Subject to the Board's direction, the Committee is responsible for all decisions in relation to trading halts.

8. False markets

- 8.1 In the event that the Board or any member of the Committee is aware that Arq Group is relying on an exception to its continuous disclosure obligations, they must notify a member of the Committee and the Committee may request the Disclosure Officer (or such other person as the Committee thinks fit) to monitor:
- (a) the market price of Arq Group's shares;
 - (b) major national and local newspapers;
 - (c) if Arq Group (or any advisors of Arq Group working on a particular transaction) has access to them, major news wire services such as Reuters and Bloomberg;
 - (d) any investor blogs, chat-sites or other social media that Arq Group is aware of that regularly post comments about Arq Group; and
 - (e) enquiries or communications from investors, analysts or journalists,

for signs that the information to be covered in a potential announcement may have leaked and, if it detects any such signs, to initiate discussions with ASX as soon as practicable; and

- 8.2 Arq Group's general policy is to respond to market rumours or speculation by stating that "Arq Group does not respond to market rumours or speculation". However, if Arq Group receives a request from the ASX for information to correct or prevent a false market, the Disclosure Officer must (in consultation with the Committee and external advisers, if necessary) provide that information to the ASX.

9. Maintaining Confidentiality of Price Sensitive Information

- 9.1 Maintaining the confidentiality of price sensitive information is critical to avoid a situation where Arq Group is forced to disclose information to the market at a time that may be commercially inappropriate.





- 9.2 As an example, under the Listing Rules Arq Group would be required to disclose information to the market about an incomplete negotiation or proposal if the information has ceased to be **confidential**. Information will cease to be confidential if it has become known either selectively or generally, whether inadvertently or deliberately, in circumstances where Arq Group does not retain control of its use or disclosure.
- 9.3 To assist in the maintenance of the confidentiality of price sensitive information, Arq Group has adopted the following procedures:
- (a) Any undisclosed price sensitive information is to only be distributed on an "as needs basis" to Arq Group's managers, staff and professional advisors.
 - (b) Under no circumstances is undisclosed price sensitive information to be shared with any individual who is not bound to maintain the confidentiality of this information.
 - (c) All Arq Group Persons who may be exposed to price sensitive information must be trained in this policy and a record of this training maintained.
 - (d) Non-disclosure agreements must be used during any negotiations involving potentially price sensitive transactions.

10. Briefing investors, analysts and the media

- 10.1 Arq Group Persons must ensure that they do not communicate material that a reasonable person would expect would have a material effect on the entity's securities to an external party (including investors, analysts or the media) except where that information has previously been released publicly through the ASX.
- 10.2 If any Arq Group Person participating in a 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 a member of the Committee.
- 10.3 The only Arq Group Persons authorised to speak on behalf of Arq Group to investors, potential investors, analysts or the media are:
- (a) the chair of the Board; or
 - (b) the Chief Executive Officer; or
 - (c) the Chief Financial Officer; or
 - (d) such other Arq Group Persons approved by the chair of the Board or the Chief Executive Officer.





- 10.4 As a matter of policy, Arq Group will seek to ensure that at least two company representatives, determined in consultation with the CEO and CFO, attend every investor relations event or meeting with investors, potential investors, analysts or members of the media.
- 10.5 Authorised spokespersons may clarify information that Arq Group 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.
- 10.6 To reduce the risk of breaching the continuous disclosure rules by inadvertently disclosing price sensitive information before notifying the ASX:
- (a) Any briefings and or presentations prepared for analysts, brokers or institutional investors, must be approved by the CEO and all Directors before use.
 - (b) At the conclusion of any such meeting a review should be undertaken of the information provided to ensure that no price sensitive information was disclosed inadvertently (see 10.10 below).
- 10.7 In the event that market sensitive information may have been released at a briefing or presentation, for example in answer to an analyst's question, then the information should be given to the ASX immediately in a form suitable for release to the market.
- 10.8 If a question is asked in a briefing which can only be answered by disclosing material price sensitive information which has not been publicly released, the relevant Arq Group Person must decline to answer the question or take the question on notice.
- 10.9 To ensure that information is equally available to analysts, brokers or institutional investors, ASX Guidance Note 8 states that before a briefing or presentation, it is prudent practice for Arq Group to:
- (a) give any new presentation or printed materials prepared for a briefing or presentation to ASX;
 - (b) publish that presentation or printed material on the ASX Market Announcements Platform; and
 - (c) publish that presentation or printed material on the Arq Group website after they have been given to ASX.





- 10.10 During the time between the end of Arq Group's financial reporting periods (30 June and 31 December) and the announcement to the ASX of the financial results for those periods (often termed blackout periods), further restrictions are imposed to help ensure that Arq Group does not inadvertently disclose price sensitive information. Generally, Arq Group may respond to requests for background information but will not hold meetings or briefings with investors, potential investors, analysts or media representatives in relation to financial information, unless the Chief Executive Officer determines that it is appropriate for Arq Group to do so. All briefing and presentation materials will be disclosed to the market through the ASX Market Announcements Platform and placed on Arq Group's website.
- 10.11 The Chief Executive Officer and Chief Financial Officer will promptly review proceedings at analyst and investor briefings, including responses provided to any questions asked at the briefing, to check whether any market sensitive information has been inadvertently disclosed and, if so, will ensure that the information is published immediately on the ASX Market Announcements Platform and thereafter on Arq Group's website.

11. Earnings expectations and forecasts

- 11.1 Any comments on earnings expectations are confined to Arq Group's annual and half year financial reports, the annual general meeting of Arq Group (which would be communicated to the ASX preceding the meeting) and forecasts in a bidder's statement or prospectus. Any material change in a disclosed earnings expectation must be immediately announced to the ASX before being communicated to anyone outside Arq Group.
- 11.2 The Chief Financial Officer is responsible for monitoring analyst reports and consensus broker forecasts for Arq Group to determine whether to raise with the Committee and the Board whether an announcement to the ASX may be necessary to correct factual inaccuracies or historical matters. If the Chief Financial Officer becomes aware of any such inaccuracies or matters or a material divergence between an analyst's or consensus forecast and Arq Group's own forecasts or earnings expectations, he or she shall liaise with the Committee so that the necessity for an announcement to the ASX and/or trading halt can be considered.
- 11.3 Any correction of factual inaccuracies by Arq Group does not imply an endorsement of the content of the report or forecast.

12. Breach of policy

- 12.1 Arq Group regards its continuous disclosure obligations as very important. Breach of this policy may lead to disciplinary action being taken against a Arq Group employee or director, including dismissal or removal in serious cases.

