

# MARKET DISCLOSURE AND COMMUNICATIONS FRAMEWORK

## Outline

This document sets out the principles, policy and procedures which have been adopted by CIMIC Group Limited (CIMIC) for the purpose of providing continuous disclosure of information concerning CIMIC that a reasonable person would expect to have a material effect on the price or value of CIMIC's securities.

## Oversight

CIMIC's continuous disclosure is overseen by

- the CIMIC Board; and
- the CIMIC Continuous Disclosure Committee.

## 1.0 Introduction

- 1.1. CIMIC is committed to providing information to shareholders and to the market in a manner which is consistent with the meaning and intention of the ASX Limited (ASX) Listing Rules.
- 1.2. This document describes the framework that CIMIC has adopted to keep the market informed and the manner in which CIMIC communicates information to shareholders and to the market.

## 2.0 Principles

- 2.1. CIMIC is a registered Australian public company. CIMIC's securities (being ordinary shares) are listed on the ASX. CIMIC is obliged to comply with the Australian Corporations Act and the ASX Listing Rules, including obligations to provide continuous disclosure of information which a reasonable person would expect to have a material effect on the price or value of CIMIC's securities.
- 2.2. For the purposes of determining whether information is "market sensitive", a reasonable person is taken to expect information to have a material effect on the price or value of CIMIC's securities if the information would, or would be likely to, influence persons who commonly invest in CIMIC's securities in deciding whether to acquire or dispose of CIMIC's securities<sup>1</sup>.
- 2.3. When Directors or officers of CIMIC are considering whether particular information is market sensitive, a helpful approach which has been suggested by the ASX<sup>2</sup> is to ask two questions:
  - 2.3.1. would this information influence my decision to buy or sell CIMIC securities at their current market price?
  - 2.3.2. would I feel exposed to an action for insider trading if I were to buy or sell CIMIC securities at their current market price, knowing this information had not been disclosed to the market?

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<sup>1</sup> ASX Listing Rule 3.1 and section 677 of the Corporations Act 2001 (Cth)

<sup>2</sup> ASX Guidance Note 8, paragraph 4.2

If the answer to either question is “yes”, then that answer should be taken as a cautionary indication that the information may be market sensitive.

- 2.4. CIMIC has developed this Framework for the purpose of complying with CIMIC’s continuous disclosure obligations.
- 2.5. In addition, the Board and Management of CIMIC value and respect the perspectives of all of its stakeholders and strive for effective and open communication with them.

### **3.0 Continuous Disclosure Obligations**

- 3.1. CIMIC will, subject to the exceptions set out in the ASX Listing Rules, immediately<sup>3</sup> notify the ASX when a Director or officer becomes aware of any information relating to CIMIC:
  - 3.1.1. which a reasonable person would expect to have a material effect on the price or value of CIMIC’s securities; or
  - 3.1.2. which a reasonable investor is likely to use as part of the basis for making investment decisions concerning CIMIC’s securities.
- 3.2. In circumstances where a Director or officer of CIMIC becomes aware of information from another source and that information is likely to be market sensitive for CIMIC’s securities, subject to the exceptions set out in the ASX Listing Rules, that information must be immediately disclosed.

### **4.0 Guidelines for Information to be considered**

- 4.1. To assist with the identification of information which may be market sensitive, the CIMIC Board has approved the following guidelines for the types of circumstances in which information will be considered by the Board or by the CIMIC Continuous Disclosure Committee (CDC) to make a judgement about whether a market disclosure may be warranted.

#### **Matters which must be considered by the CIMIC Board**

- 4.2. The Board has delegated day-to-day oversight of CIMIC’s disclosure obligations to the CDC. However, the CIMIC Board considers that the following matters should, wherever possible, be considered by the full CIMIC Board prior to any announcement being released to the ASX.
  - 4.2.1. Earnings guidance – any actual or forecast earnings guidance issued by CIMIC, or, if CIMIC becomes aware that its actual or expected earnings (as communicated to the market) for a reporting period will not be achieved.
  - 4.2.2. Market consensus – where no guidance has been provided by CIMIC, if CIMIC becomes aware that its expected earnings for a reporting period will vary by greater than 10 per cent from the market consensus.
  - 4.2.3. Net assets – if CIMIC becomes aware of a circumstance which has a potential impact of greater than 10 per cent on the value of the net assets of CIMIC.
  - 4.2.4. Dividends – decisions by the CIMIC Board concerning dividends.
  - 4.2.5. Significant acquisitions or disposals – the acquisition or disposal of a significant asset (excluding equipment which is used for projects) having a value in excess of AUD90 million.

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<sup>3</sup> This means “promptly and without delay”: See ASX Guidance Note 8, paragraph 4.5

- 4.2.6. Structure – any material changes to the CIMIC Group’s structure (e.g. actual or proposed takeover or merger, a decision by the CIMIC Board to implement a scheme of arrangement or to appoint an administrator).
- 4.2.7. Key Management Personnel – changes of Key Management Personnel as identified in CIMIC’s Annual Report.
- 4.2.8. In the event that the full CIMIC Board cannot be convened to consider the matters set out in 4.2.1 to 4.2.7 above, the CDC will seek the approval of the Chairman of the CIMIC Board (or, if unavailable, the Deputy Chairman) for the disclosure. The full CIMIC Board will be promptly informed of this action and have an opportunity to clarify or supplement the existing disclosure, where necessary.

### **Matters which may be considered by the CIMIC Board or the CDC**

- 4.3. The following matters may be considered by the CIMIC Board or the CDC for disclosure to the ASX.
  - 4.3.1. New contract awards which are won by CIMIC or by one or more of the CIMIC Operating Companies with a total revenue value of AUD100 million or more.

Disclosures concerning new contracts should include any relevant information such as the identity of CIMIC’s partner(s) (if any), CIMIC’s share of the contract value, expected contract start and finish dates, and any other information which may be considered material.
  - 4.3.2. Major variances on a specific contract – when the relevant Operating Company Managing Director becomes aware of a circumstance which has a potential to materially impact the contract including:
    - a) impact the last forecast contract margin by greater than 10 per cent of the average of CIMIC’s Profit before Tax guidance range;
    - b) a material risk event which may have a significant non-financial impact (e.g.: safety, environmental contamination, reputation); or
    - c) a possible breach of law in connection with a project contract.
  - 4.3.3. Significant litigation – the commencement of significant litigation by or against CIMIC or a subsidiary of CIMIC.
  - 4.3.4. Investment entities – if CIMIC becomes aware of a circumstance relating to one or more of its equity investments and which has a potential material impact on CIMIC securities including:
    - a) a change of AUD50 million or more to the value of which CIMIC holds that investment; or
    - b) a change to the forecast dividends of that entity which will materially impact CIMIC’s earnings.
  - 4.3.5. A significant industry/market event that has the potential to materially impact the CIMIC Group (e.g. industrial stoppage, change in law, insolvency of counter party).
  - 4.3.6. A significant environmental event (flood, cyclone, bushfire etc.).
  - 4.3.7. Shareholder notices – notices received from shareholders requesting that a general meeting be called or proposing to move a resolution.

- 4.3.8. Any other information which a reasonable person would expect to have a material effect on the price or value of CIMIC's securities.
- 4.4. In circumstances where CIMIC or a CIMIC Director becomes aware of information of the kind described in paragraphs 4.2 or 4.3 above, or other information which may be market sensitive, a determination will be made as soon as practicable (and having regard to the ASX Listing Rules obligation to make market disclosures "immediately") by either:
  - 4.4.1. the CIMIC Board (or an appropriately authorised Committee of the Board); or
  - 4.4.2. the Continuous Disclosure Committee,  
about whether a disclosure is to be made.
- 4.5. The CIMIC Chief Executive Officer, Chief Operating Officer, or the CIMIC Chief Financial Officer will inform the CIMIC Board as soon as practicable about any information of which they have become aware and which may be considered to be market sensitive.
- 4.6. In determining whether to make a disclosure, the Board or the Continuous Disclosure Committee (as the case may be) will have regard to any circumstances which they may consider relevant in making a judgement about whether the information is market sensitive.  
By way of further guidance:
  - 4.6.1. where the expected impact on expected earnings, market consensus or net assets is less than 5 per cent, in the absence of other relevant information, the information may be presumed to not be market sensitive; and
  - 4.6.2. where the expected impact on expected earnings, market consensus or net assets is greater than 10 per cent, in the absence of other relevant information, the information may be presumed to be market sensitive where no guidance has been provided by CIMIC.
- 4.7. CIMIC will also provide information about work in hand by providing to the ASX a quarterly update of cumulative movements in work-in-hand (being the total expected revenue value of all contracts).

## **5.0 Continuous Disclosure Committee and Disclosure Officers**

- 5.1. CIMIC has a Continuous Disclosure Committee (CDC) which is responsible for the following:
  - 5.1.1. establishing procedures for the mandatory notification to the Committee of information;
  - 5.1.2. reviewing information for the purpose of determining whether it should be disclosed;
  - 5.1.3. where the CDC considers it appropriate, requesting that a CIMIC Board meeting be convened to consider whether particular information should be disclosed;
  - 5.1.4. overseeing compliance with CIMIC's continuous and periodic disclosure requirements; and
  - 5.1.5. making recommendations to the CIMIC Board concerning proposed changes of the CIMIC Market Disclosure and Communications Framework having regard to changes of law, market practices or CIMIC's circumstances.
- 5.2. The CDC comprises CIMIC's Disclosure Officers and the Group General Counsel. The CIMIC Chief Financial Officer is the Chairman of the CDC.

- 5.3. CIMIC's Disclosure Officers are appointed by the Chief Executive Officer.
- 5.4. CIMIC's Disclosure Officers are ultimately responsible for all communications with the ASX.
- 5.5. The CDC will provide formal assurance to the CIMIC Board on a continuing basis that CIMIC is complying with its continuous disclosure obligations.
- 5.6. The CDC will meet regularly and as required. A quorum of the CDC shall comprise of two of CIMIC's Disclosure Officers.

## **6.0 Responsibility for Identifying Market Sensitive Information**

- 6.1. CIMIC conducts business via its Operating Companies in Australia and in many other countries. To assist with the identification of information which may be market sensitive, the CDC may appoint Information Disclosure Officers (IDOs) within the CIMIC businesses.
- 6.2. CIMIC also holds minority investments in listed and unlisted companies, and other commercial entities. To assist with the identification of information concerning those investments which may be market sensitive to CIMIC's securities, the CDC may appoint an IDO for CIMIC's minority investments.
- 6.3. The IDOs are responsible for providing information to the CDC in a timely manner for the purpose of assisting the CDC to make judgements about whether disclosure is to be made. In addition, each of the IDOs will provide the CDC with:
  - 6.3.1. positive assurance of compliance with their obligations to provide information to the CDC; and
  - 6.3.2. continuing negative assurance to the effect that they are not aware of any information which ought reasonably to have been provided to the CDC.
- 6.4. The Managing Director and Chief Financial Officers of each of the CIMIC Operating Companies shall appoint individuals ("Reporting Officers") from within their businesses who shall be responsible for:
  - 6.4.1. identifying information relating to Projects within the relevant Operating Company's business and which may be market sensitive; and
  - 6.4.2. immediately reporting that information to the relevant Operating Company Managing Director or Chief Financial Officer.
- 6.5. In circumstances where a Reporting Officer has notified information which may be market sensitive, the relevant Operating Company Managing Director or Chief Financial Officer shall make an immediate assessment about whether the information, in conjunction with any other information which he or she may hold, should be notified to the CDC.

## **7.0 Communications with ASX**

- 7.1. The CIMIC Company Secretary is responsible for the lodgement of announcements with the ASX.

## **8.0 Release of Information to the Media and the Public**

- 8.1. CIMIC must not release information that is required to be disclosed to the ASX to any media, investor, analyst, news service or member of the public until such time as CIMIC has received confirmation from the ASX that the information has been released to the market.

## 9.0 Authorised Spokespersons

9.1. The only persons who are authorised to make any public statement on behalf of CIMIC are:

- 9.1.1. the CIMIC Chief Executive Officer;
- 9.1.2. the CIMIC Chairman;
- 9.1.3. any other person who is expressly authorised by the Chief Executive Officer.

9.2. Only those people authorised by the Chief Executive Officer may make public statements on behalf of any Group Entity, provided that if those statements contain information which may reasonably be construed as market sensitive in relation to CIMIC's securities, they must first refer that information to the CDC to determine whether a disclosure should be made to the ASX.

## 10.0 Rumours and Market Speculation

10.1. CIMIC will not comment on rumours or market speculation unless the CIMIC Board or the CDC or the ASX forms the view that it is necessary and appropriate to comment, or if the ASX asks for information in order to correct or prevent a false market in its securities<sup>4</sup>.

## 11.0 Trading Halts

11.1. In order to facilitate an orderly, fair and informed market, there may be circumstances in which the CIMIC Board, the CIMIC Chairman (or, in the Chairman's absence, the Chairman of the Board Audit & Risk Committee) or the CDC determines that it is appropriate to request a trading halt from the ASX.

## 12.0 Periodic Market Disclosures

12.1. CIMIC will make periodic market disclosures of its financial results on dates which will be advised to the ASX and published on CIMIC's website.

## 13.0 Analysts and Investor Briefings

13.1. CIMIC holds briefings for market analysts and institutional investors. At those briefings CIMIC will not disclose any market sensitive information unless and until that information has been released to the ASX.

13.2. Any market sensitive information which is to be provided at a briefing will be lodged with the ASX prior to the briefing and will be made available on CIMIC's website as soon as the ASX has confirmed the release of the information to the market.

13.3. CIMIC must have at least two authorised spokespersons present at briefings with market analysts and institutional investors, and will keep a record of persons attending each briefing and the subjects discussed.

13.4. Only authorised spokespersons may provide information or answer queries at briefings.

## 14.0 Analysts Reports and Forecasts

14.1. If provided with an analyst's report, CIMIC accepts no obligation to comment on that report.

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<sup>4</sup> ASX Listing Rule 3.1B; ASX Guidance Note 8, section 6

- 14.2. CIMIC will not provide to analysts any market sensitive information unless and until that information has been released to the ASX.
- 14.3. CIMIC will not endorse or comment upon an analyst's report other than:
- 14.3.1. to question the analyst's assumptions or sensitivities if the analyst's estimates vary significantly from the then current market ranges of estimates; and
  - 14.3.2. to advise of factual errors where data is already in the public domain.

## 15.0 Framework Breaches

- 15.1. A breach of this Framework is a prima facie breach of CIMIC's Group Code of Conduct.

## 16.0 Review of Market Disclosure and Communications Framework

- 16.1. This Framework will be reviewed annually and as required by the CIMIC Board or the CDC.

## 17.0 Publication

- 17.1. This document is made available on CIMIC's website ([www.cimic.com.au](http://www.cimic.com.au)) and to CIMIC Directors, Executives and all employees of CIMIC and its Operating Companies.

## Document Information

<b>Owner:</b>	Group General Counsel and Company Secretary, CIMIC
<b>Approved by:</b>	Executive Chairman and Chief Executive Officer, CIMIC
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Note: CIMIC Group policies may be amended from time to time.