



Corporate Principles of Conduct

1. Introduction

AMCIL Limited (**AMCIL** or the **Company**) has been established as a Listed Investment Company specialising in investing in Australian equities. The Company aims to provide shareholders with attractive returns through strong capital growth in the portfolio over the medium to long term with the generation of dividend income as a subordinate, but nevertheless important, objective.

AMCIL aims to be a trusted corporate citizen. It seeks to operate with interactive, beneficial and lasting relationships with its shareholders, employees and other stakeholders. AMCIL also recognises its additional obligations as a Listed Investment Company. It is committed to meeting all its obligations professionally and responsibly.

The Company believes that these same responsibilities extend from the Board and management to all employees/agents of the Company.

2. Business Integrity

2.1 Standards of Conduct

The Company strives to conduct its operations to the utmost of its ability with honesty, efficiency, fairness and integrity.

The Company's directors and employees must comply with all relevant laws and regulations and abide by these Principles of Conduct. The Company has procedures to monitor compliance with these policies.

Directors and senior executives are required:

- to use reasonable care and diligence in fulfilling the functions of their office and exercising the powers attached to that office;
- to make business decisions in good faith for a proper purpose and without material personal interest, inform themselves about the subject matter of the decision, and rationally believe each decision to be in the best interests of the Company; and
- to act in good faith in the best interests of the Company as a whole and for a proper purpose when exercising their powers or discharging their duties.

The Company's directors and employees should not engage in conduct likely to have an adverse effect on the reputation of the Company.

2.2 Shareholders and the Financial Community

The Company is committed to increasing shareholder value in a manner consistent with its responsibilities to all stakeholders.

The Company aims to keep shareholders, the stock exchange and potential investors informed as to its financial position and performance, with fair, accurate, timely and clear disclosure.



2.3 Political Involvement

The Company may represent its views to governments and other third parties on matters which affect its business interests and the interests of its shareholders, employees and others involved in their businesses and operations.

2.4 Competition

The Company supports the principles of free and fair competition in the market in compliance with applicable competition and consumer protection laws.

2.5 Privacy and Personal Information

The Company is sensitive to privacy issues and will deal with employee, shareholder, agent and supplier personal information in accordance with, and for the purposes set out in, the Company's Privacy Policy.

The laws in relation to privacy, and the use of confidential or price sensitive information, will be respected by the Company.

2.6 Conflicts of Interest

Conflicts of interest should be avoided.

The Company's directors and employees must disclose to the Company any material personal interest that they or any associate may have in a matter that relates to the affairs of the Company.

Directors must inform the Company Secretary immediately they become aware of any changes to their shareholdings or directorships.

Where a conflict of interest may arise, full disclosure by all interested persons must be made and appropriate arrangements followed, such that interested persons are not included in making the relevant decisions.

3. Employees/Agents

At present, excluding the Managing Director, the Company has no formal employees. Its activities are undertaken by agents acting pursuant to outsourcing arrangements. The provisions below relate to employees and/or agents.

3.1 Representation

The Company's employees/agents represent AMCIL and when acting on the Company's behalf are expected to do so with professionalism, efficiency, honesty, fairness and respect for others.

3.2 Working Environment

AMCIL recognises the dignity of each employee/agent and the right to a workplace free of discrimination, harassment, abuse or intemperate language.

AMCIL seeks to provide a safe, hygienic working environment at all times.



3.3 Compensation and Advancement

AMCIL will provide each employee with remuneration arrangements and conditions of employment which are in line with their level of skill, experience and performance and in accordance with market standards.

Decisions on hiring, advancement and cessation are based on assessments of each individual's ability and performance in doing the job, their integrity and commitment to the Company's objectives.

3.4 Incentive System

Remuneration arrangements for senior executives includes an at risk component assessed on performance over both the short term and long term.

3.5 Outside Employment

AMCIL looks to its employees/agents to give their full-time working commitment to the Company and accordingly other outside paid employment should not be undertaken without appropriate authorisation.

3.6 Intellectual Property

Any intellectual property relating to AMCIL's business developed by employees/agents while they are with the Company remains the property of the Company.

4. Responsibilities Regarding Dealing with Stakeholders

AMCIL seeks to comply with all legal and contractual obligations to shareholders, employees, agents, suppliers, regulators and other stakeholders fully, fairly and promptly.

5. Gifts, Financial Inducements and Donations

5.1 Gifts and Entertainment

AMCIL's operations are such that provision of gifts or entertainment to third parties takes place only on a limited basis.

Any AMCIL employees receiving gifts or entertainment in their capacity as an employee, of inappropriate size or nature, are to advise the Company.

5.2 Financial Inducements

Provision of financial inducements by AMCIL, or to AMCIL, to enter into contracts or maintain relationships, only occurs when it is commercially relevant, is in the interests of shareholders, is transparent in terms of the process and is properly accounted for.

5.3 Sponsorships, Donations and Support for Outside Activities

It is not AMCIL's usual practice to sponsor or donate Company funds to sporting, charitable, community or political causes, however Company resources may be used on a limited basis in support of such interests with appropriate authorisation



6. Confidentiality

Confidential information received by AMCIL employees, agents or service providers in the course of their duties remains the property of AMCIL and must not be disclosed to any other person without prior authorisation unless the disclosure is required by law, other regulatory obligations, to meet contractual commitments or is otherwise required in connection with AMCIL's operations.

AMCIL's privacy policy is publicly available and posted on the web-site. The Privacy Officer is the Company Secretary.

7. Delegation and Reliance

When delegating powers, directors and senior executives must enquire as to a delegate's reliability and competency and must reasonably believe in good faith, after making proper enquiries, that the delegate will act in conformity with the director's or senior executive's duties and the Company constitution, and will be reliable and competent in doing so.

Directors and senior executives may rely on information or advice from Company Board committees, officers and competent experts and advisers provided they do so in good faith and make an independent assessment of the information or advice.

8. No Misuse of Information or Position

Directors and employees and agents must not improperly use information acquired from their position to gain advantage for themselves or for someone else or to cause detriment to the Company.

Directors and employees and agents must not improperly use their position to gain advantage for themselves or for someone else or to cause detriment to the Company.

9. The Use and Accounting of Company Resources

The Company's directors and employees and agents must account to the Company for business opportunities which arise as a result of their position with the Company and must use Company resources only for the benefit of the Company. Any use of Company resources (other than trivial amounts) for personal interests should be authorised and be reimbursed to the Company.

Updated: 12 May 2005





Continuous Disclosure Policy

As a listed public company, the Company is required to comply with a continuous disclosure obligation contained in the Listing Rules of Australian Stock Exchange Limited (**ASX**). This continuous disclosure obligation is complemented by requirements under the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Company is committed to complying with its continuous disclosure obligation in the spirit of the Listing Rules of the ASX and the corporate governance best practice recommendations made by the ASX Corporate Governance Council.

This Disclosure Policy includes 4 sections:

- Section 1: *ASX Disclosure – General Obligations*
- Section 2: *Specific Disclosure*
- Section 3: *Authorised Officer*
- Section 4: *Reporting Processes*
- Schedule 1 - Materiality Guidelines*

1. ASX Disclosure - General Obligations

1.1 Obligation to Disclose

Under Listing Rule 3.1, the Company is required to notify ASX immediately it 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 Company must not release this information to any other person (such as the media) until it has given the information to ASX and received an acknowledgment that ASX has released the information to the market (Listing Rule 15.7).

1.2 Exceptions to Disclosure

Disclosure under Listing Rule 3.1 is not required where **each** of the following conditions is satisfied:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential, and ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
 - (i) it would be a breach of a law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for the Company's internal management purposes;
or
 - (v) the information is a trade secret.



The Company must meet its continuous disclosure obligation as soon as any one of paragraphs (a), (b) and (c) is no longer satisfied.

For example, any information which is not confidential does not qualify for the exceptions from disclosure. It is therefore essential that information which is to be withheld is and remains subject to strict confidentiality obligations **and is not leaked**. If the information has been leaked, even in breach of a duty of confidentiality, it is no longer confidential, and disclosure of the information to ASX will be required.

Disclosure may also be required if ASX forms the view that the information has ceased to be confidential.

In any event, information will have to be disclosed if a reasonable person would expect it to be disclosed, regardless of the fact that it is confidential and falls within any of the categories in paragraph (c) above (eg, it is a trade secret or relates to an incomplete proposal).

1.3 Awareness of Information

Under ASX Listing Rule 19.12, the Company becomes aware of information if a director or executive officer of the Company has, or **ought reasonably to have**, come into possession of information in the course of the performance of their duties as a director or executive officer of the Company.

That is, the disclosure obligation applies not only to information of which the directors or executive officers are actually aware, but also information of which those persons ought reasonably to have been aware.

Accordingly, whenever a director or executive officer, in the course of the performance of their duties as a director or executive officer of the Company, comes into possession of information which may have a material effect on the price or value of the Company's shares, it is critical that the information is immediately communicated in accordance with this Disclosure Policy.

1.4 Materiality of Information

For the purpose of Listing Rule 3.1, a reasonable person will be taken to expect particular information to have a material effect on the price or value of any of the Company's securities if the information would, or would be likely to, influence persons who commonly invest in such securities in deciding whether to acquire or dispose of the securities.

Materiality guidelines are set out in the attached Schedule 1.



2. Specific Disclosure Requirements

2.1 ASX Listing Rules

In complying with Listing Rule 3.1, AMCIL needs to comply with specific disclosure requirements contained in the ASX Listing Rules.

The Listing Rules require disclosure in relation to the following matters:

- **Disclosure of NTA by listed investment companies** – each month the Company is required to disclose to the market its net tangible asset backing per share no later than the 14th day of the month (Listing Rule 4.12);
- **General meeting dates** – the date of any general meeting of the Company at which directors may be elected (Listing Rule 3.13.1);
- **General meeting announcements** – the contents of any prepared announcement (such as the Chairman’s address) that will be delivered at a general meeting of the Company (Listing Rule 3.13.3);
- **General meeting resolutions** – the outcome of all resolutions put to a general meeting of the Company (Listing Rule 3.13.2);
- **Changes to issued securities** – any alteration to the issued securities of the Company (for example, a new share issue, a capital reduction or a capital reconstruction) (Listing Rules 3.10.1, 3.10.3 and 3.10.5);
- **Changes to office bearers** – changes in directors, Managing Director, Chairman, Company Secretary or auditor (Listing Rule 3.16);
- **Changes to offices** – any change to a registered office or principal administrative office (Listing Rule 3.14);
- **Documents sent to security holders** – a copy of any document sent to a class of security holders (Listing Rule 3.17); and
- **Disclosure documents, PDS and information memoranda** – a copy of any disclosure document or PDS immediately after it is lodged with ASIC and a copy of any information memorandum before it is issued (Listing Rule 3.10.4).

In addition, other statutory filings also need to be formally lodged with the ASX, including:

- **Notices of directors security holdings** - Directors are required to disclose to the market all purchases and sales of the Company’s securities in which they have a relevant interest.
- **Notices relating to substantial shareholdings by AMCIL** - AMCIL must advise the market whenever it acquires more than 5% of the issued capital of any of the companies in which it invests and every time that percentage increases or decreases by more than 1%, until it no longer holds more than 5% of the capital.
- **Notification of share buy-back activity** - AMCIL needs to advise the market by 9.30 on the following morning of each day on which it buys back shares on the market. It also



lodges copies of the notification of share cancellation on settlement of the transaction three days later.

2.2 Corporate Governance Best Practice Recommendations

The Company also seeks to comply with the Corporate Governance Best Practice Recommendations of the ASX Corporate Governance Council where appropriate to the Company's circumstances. Those recommendations recommend the development and public disclosure of a number of policies and procedures relating to corporate governance.

2.3 Practice

Despite the fact that Listing Rule 3.1 is a benchmark for legal obligations and liability, ASX takes the view that it should not be interpreted in a restrictive or legalistic fashion. Listed companies are requested to apply the principles of Listing Rule 3.1 in the 'spirit' of continuous disclosure, which is aimed at balancing the interests of the companies, the maintenance of investor protection and the protection of the reputation of the market.

ASX suggests the following practices should be followed in relation to Listing Rule 3.1, including:

- Listed companies should respond to specific market rumours or those which cause market movement, even where no information can be provided other than denial of the rumours.
- Analysts must not be provided with any information which is material but not public.
- Information released to overseas markets (eg NZSE) must be provided simultaneously to ASX.
- The fact that information about a company is widely known does not avoid the obligation to disclose it to ASX. Press releases will need to be copied to ASX if they contain any material information not already disclosed to the market.
- Holding announcements, trading halts or even suspensions may be appropriate, even where an exception to the disclosure obligation applies.

3. Authorised Officer

The Company has appointed the Company Secretary as the officer who has primary responsibility for administration of the Company's Disclosure Policy. His responsibilities include:

- (a) making sure that the Company complies with its continuous disclosure obligation, and monitoring that compliance;
- (b) overseeing and co-ordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public; and
- (c) educating employees on this Disclosure Policy and raising awareness of the principles underlying continuous disclosure.

In the absence of the Authorised Officer on sick leave, holidays or out of the office, the Managing Director will undertake this responsibility or will nominate a Company Officer to take temporary responsibility.



4. Reporting Processes

The Company's reporting system encompasses:

- (a) regular internal reporting which may identify matters requiring disclosure;
- (b) reporting of events occurring between regular reporting which may identify matters requiring disclosure; and
- (c) a process for regularly reviewing the Company's continuous disclosure compliance program.
- (d) Inclusion of Continuous Disclosure as a fixed agenda item for all Board and Investment Committee meetings.

4.1 Regular Reporting

The following regular reporting is provided by executives and other employees/agents within the Company and is reviewed for a variety of functional reasons. These reports assist in identifying the occurrence of any significant event:

- (a) Weekly written reports by management to the Investment Committee;
- (b) Monthly Board reports on financial, administrative, investment performance and registry issues;
- (c) Quarterly Audit Committee minutes;
- (d) Periodic reports relating to the Remuneration Committee, Nomination Committee or other matters.

However, directors, executives and other employees/agents should not wait for, or rely on, regular reporting to advise of an important event that may require disclosure under the Company's continuous disclosure obligation.

Each director is also required to consider whether they possess any information which may require disclosure by the Company under its continuous disclosure obligation.

Inclusion of Continuous Disclosure as a fixed agenda item at each Board and Investment Committee meeting is intended to provide a formal opportunity for issues relating to Disclosure to be considered at each meeting where significant matters are likely to be raised. It is intended to bring the matter consistently to the attention of directors.

4.2 Events Occurring between Regular Reporting

- (a) On-going assessment of information

It is essential that there is ongoing monitoring and assessment by directors, executives and other employees/agents within the Company of information for the purposes of disclosure. The aim is twofold – to identify new information that should be disclosed, and to ensure that information that has previously been withheld from disclosure on the basis of the exceptions is released immediately once the exceptions no longer apply.

- (b) Person to whom events should be reported



If a director, executive or other employee/agent within the Company becomes aware of information that may have a material effect on the price or value of the Company's securities, they should immediately notify that information to the Company Secretary,

It is critical to the Company's effective compliance with its continuous disclosure obligation that information is communicated by its directors, executives and other employees/agents as soon as they become aware of that information.

- (c) In all circumstances, should a director, executive or other employee/agent have any doubt as to whether the information requires disclosure, they should err on the side of caution and notify that information to the Company Secretary or, in his absence, the Managing Director.

- (d) Process to determine if disclosure required

When a matter is reported, the Company Secretary will discuss the significance of the matter and possible disclosure responses with the Managing Director and, if the matter is sufficiently significant, the Chairman. If the matter is required to be disclosed, the Company Secretary will:

- co-ordinate the preparation of a draft ASX announcement; and
- circulate the draft announcement to the Board and relevant management and external advisers for review.

Once the review process has been completed, the Company Secretary will disclose the information to ASX and advise when an acknowledgment has been received from ASX that the information has been released to the market, to enable the information to be released to the media (as appropriate).

To improve access to investors of material information about the Company, when acknowledgment is received from ASX that information disclosed to it has been released to the market, the Company Secretary will arrange for it to be posted on the Company's website.

- (e) No selective disclosure

There must be no selective disclosure of price sensitive information. All releases of a price sensitive information must first be made through the ASX Company Announcements Platform. This ensures that the market as a whole has equal access to material information about the Company at the same time.

- (f) Protection of confidential information

The Company may choose not to disclose information about itself that may have a material effect on the price or value of its securities, in reliance on the exceptions from disclosure described in section 1.2 above. The exceptions only apply, however, if the information is kept confidential. Accordingly, each director, executive and other employee/agent of the Company (as well as its advisers and consultants) who possesses price sensitive information about the Company that has not been disclosed to ASX must protect and preserve the confidential nature of that information, including by:



- (i) refraining from discussing that information with, or divulging that information to, any person who is not authorised by the Company to receive that information; and
- (ii) ensuring that any documents or other written material in their possession in relation to that information are properly and securely stored and are not disclosed to an unauthorised person.

If a director, executive or other employee/agent has any doubt as to whether information is price sensitive or who is authorised to receive that information, they should discuss the matter with the Company Secretary.

4.3 Routine Business Reporting

When an event occurs that is a matter of fact, such as a new executive appointment, the Company Secretary will disclose the information to ASX and advise when an acknowledgment has been received from ASX that the information has been released to the market, to enable the information to be released to the media and posted on the Company's website (as appropriate).

4.4 Leaks, Rumours and Inadvertent Disclosure of Information

- (a) Leaks, rumours and inadvertent disclosure

The Company's general policy is not to respond to reports or rumours about it published by analysts, fund managers or reporters. From time to time, however, it may be necessary to respond to the unauthorised or selective disclosure of information or market rumours concerning the Company, particularly where the information or rumour is having, or likely to have, an impact on the price of the Company's securities.

To ensure a consistent response from the Company to such occurrences, all instances of unauthorised or selective disclosure or rumours should be reported to the Company Secretary as soon as they become known.

- (b) Assessment of the Company's response

When a matter is reported, the Company Secretary will discuss the significance of the matter and possible disclosure responses with the Managing Director and, if the matter is sufficiently significant, the Chairman and the Board.

- (c) Disclosure of information

If the information the subject of the unauthorised or selective disclosure is considered material, or there is a significant market rumour concerning the Company that is having or is likely to have an impact on the price of the Company's securities, the Company Secretary will co-ordinate the development of a disclosure response to ASX.

The Company Secretary will circulate the draft announcement to the Board and relevant management and external advisers for review. Once the review process has been completed, the Company Secretary will disclose the information to ASX and advise when the Company receives an acknowledgment from ASX that the information has been released to the market, to enable the information to be released to the media and posted on the Company's website (as appropriate).



(d) Referral of enquiries

Any queries by ASX, the media, analysts, brokers, shareholders or the public about a market rumour concerning the Company or regarding information that is subject to this Disclosure Policy must be referred to the Company Secretary or the Managing Director.

The only persons authorised to speak to the media or any other person outside the company about market rumours concerning the Company or about information that is subject to this Disclosure Policy are those who are authorised by the Chairman or the Managing Director from time to time. Communications with ASX are covered in section 4.5 below.

4.5 Release of Information from the Company

To ensure that the Company approaches its continuous disclosure obligation consistently, and information is not released publicly prior to its disclosure to ASX, it is important that:

- (a) no-one other than the Company Secretary releases information to, or communicates with, ASX unless specifically authorised to do so by the Managing Director. This includes responding to market rumours, leaks of sensitive information and inadvertent disclosure; and
- (b) any executive or other employee/agent proposing to disclose information about the Company publicly, such as at private briefings, must:
 - (i) inform the Company Secretary of the information to be disclosed, to ensure that the Company's disclosure obligation is not breached;
 - (ii) provide to the Company Secretary a copy of any presentation slides or other documents to be used, for release to ASX and posting on the website (as appropriate);
 - (iii) only discuss information that has been released to ASX or is not of a material nature; and
 - (iv) decline to respond, or take on notice, any question the answer to which would require disclosure of material information until the information has been disclosed to ASX.

4.6 Regular Review of this Disclosure Policy

The following process has been determined for the ongoing review of the Company's compliance with its continuous disclosure obligation:

- (a) conduct a regular review of the adequacy of this Disclosure Policy and the procedures established under it to ensure the Company identifies in a timely manner all material disclosure events, that the Company Secretary is promptly made aware of such events and that the Company's disclosure obligation is being met;
- (b) conduct a regular review of the adequacy of the materiality thresholds and, through the Managing Director, recommend changes to the Board;
- (c) ensure that all potential continuous disclosure matters are immediately identified and considered on a case by case basis as to whether disclosure is required under the Company's legal obligations.



4.7 Summary

In summary, it is the responsibility of each director, executive and other employee/agent of the Company to communicate any information regarding the Company that may have a material effect on the price or the value of the Company's securities, as soon as that person becomes aware of the information.

If any director, executive or other employee/agent is in any doubt as to whether the information should be disclosed, you must disclose that information to the Company Secretary or, in his absence, the Managing Director in accordance with this Disclosure Policy, and it will then be more fully considered by those responsible for deciding whether or not disclosure to ASX is necessary.

A failure by the Company to make timely disclosure of information that may have a material effect on the price or value of the Company's securities may result in criminal or civil liability for the Company, its directors, executives and other employees.

4.8 Queries

If, at any time, directors, executives or other employees have any queries regarding their information reporting obligations, or the Company's continuous disclosure obligation, they should contact the Company Secretary.

Updated: 12 August 2004



Materiality Guidelines

1. Introduction

The following guidelines are provided to assist directors and employees/agents in identifying matters that may require disclosure. The purpose of these guidelines is to identify matters which can then be considered more fully, with a view to determining whether disclosure is required.

All of the matters which will require consideration under these guidelines will not necessarily require disclosure. Conversely, it is important to remember that a matter may be disclosable even if it does not come within any of the following categories.

Where a matter is potentially disclosable, the Company Secretary (and, in his absence, the Managing Director), should be informed as soon as possible.

2. Materiality Thresholds

2.1 Thresholds

The thresholds are:

- (a) qualitative; and
- (b) quantitative.

2.2 Qualitative test

These matters (some of which are drawn from a note to Listing Rule 3.1) may include, but are not limited to, matters:

- (a) that might have a material effect on the future business activities of the Company;
- (b) that might have a material effect on income, cash flow or the ability to generate profits (including where there would be a long term effect even if the effect in any one year is not material);
- (c) involving any proposed change in regulation or law that could materially affect the Company's business;
- (d) involving a significant allegation of any breach of the law, whether civil or criminal, by the Company or any of its employees/agents;
- (e) involving a material change in the Company's financial forecasts or expectations;
- (f) involving a transaction for which the consideration payable or receivable is a significant proportion of the Company's consolidated assets (normally an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case);
- (g) involving a declaration of a dividend or a decision that a dividend will not be declared;
- (h) involving an agreement between the Company (or a related party or affiliate entity) and a director (or a related party of a director);
- (i) involving a change in executive personnel or structure;
- (j) that may have a materially adverse effect on the Company's reputation;



- (k) concerning material information regarding the beneficial ownership of the Company's securities obtained under the Corporations Act;
- (l) relating to the giving or receiving of a notice of intention to make a takeover;
- (m) involving a material change in accounting policy adopted by the Company;
- (n) involving a proposal to change the Company's auditor; and
- (o) that is in some other way onerous, unusual or so outside the ordinary course of business that it ought to be considered.

Disclosure of any of these matters would be required if a reasonable person would expect it to have a material effect on the price or value of the Company's securities. Therefore, all transactions involving Directors are considered material, regardless of size.

2.3 Quantitative test

The following matters will need to be considered to determine if disclosure is required:

- (a) matters which potentially may affect the Company group's profit (loss) after tax in any one year by more 5% of the Company's previous year profit (loss) after tax;
- (b) matters which potentially may affect the assets or liabilities of the Company group by more than 5% of total assets or total liabilities; and
- (c) matters involving any claim against the Company exceeding 5% of the Company's previous year profit (loss) after tax.

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