



ADX Energy Ltd

Corporate Governance Manual

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Corporate Governance Manual

TABLE OF CONTENTS

OVERVIEW: VISION, MISSION AND VALUES	3
PRINCIPLE #1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.....	4
PRINCIPLE #2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE	9
PRINCIPLE #3: INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY ..	12
PRINCIPLE #4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS.....	13
PRINCIPLE #5: MAKE TIMELY AND BALANCED DISCLOSURE.....	15
PRINCIPLE #6: RESPECT THE RIGHTS OF SECURITY HOLDERS	16
PRINCIPLE #7: RECOGNISE AND MANAGE RISK	18
PRINCIPLE #8: REMUNERATE FAIRLY AND RESPONSIBLY.....	24
SCHEDULE A – DIVERSITY POLICY	27
SCHEDULE B – CONTINUOUS DISCLOSURE POLICY	29

OTHER COMPANY POLICIES – AVAILABLE ON ADX WEBSITE

CODE OF CONDUCT

SECURITIES TRADING POLICY

WHISTLEBLOWER POLICY

ANTI-BRIBERY, CORRUPTION AND FRAUD POLICY



Overview: Vision, Mission and Values

VISION

To enhance value for shareholders and the communities in which we operate by becoming a leading European focused energy producer and the provider of solutions for a low carbon society.

MISSION

Produce safe, environmentally sustainable energy while redeploying our assets, people and skills for transition to low carbon energy production and carbon abatement.

STATEMENT OF VALUES

- Conduct ourselves with fairness, integrity, honesty and transparency.
- Ensure an enjoyable, vibrant, respectful, safe and rewarding workplace encouraging high business standards, professional excellence, innovation, teamwork and diversity.
- Enrich the communities in which we work through social engagement as well as ensuring that high safety and environmental standards are adhered to.
- Engage with all employees, clients and stakeholders in a respectful, ethical, courteous and professional manner which meets legal requirements, regulatory standards and community expectations.

ASX Principles of Corporate Governance and Recommendations

Principle #1: Lay solid foundations for management and oversight

A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance.

- Recommendation 1.1:* A listed entity should have and disclose a board charter setting out:
(a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.
- Recommendation 1.2:* A listed entity should:
(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
- Recommendation 1.3:* A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.
- Recommendation 1.4:* The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.
- Recommendation 1.5:* A listed entity should:
(a) have and disclose a diversity policy;
(b) through its board or a committee of the board set out measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
(c) disclose in relation to each reporting period:
(1) the measurable objectives set for that period to achieve gender diversity;
(2) the entity's progress towards achieving those objectives; and
(3) either:
(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes); or
(B) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.
- Recommendation 1.6:* A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.
- Recommendation 1.7:* A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and
(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.
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Board Charter

In carrying out the responsibilities and powers set out in this Charter, the board of directors of the Company (the Board):

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its employees, customers and the community.

The Board is responsible for ensuring that the Company is managed in a manner which protects and enhances the interests of its shareholders and takes into account the interests of all stakeholders. This includes setting the strategic directions for the company, establishing goals for management, demonstrating leadership and monitoring the achievement of these goals.

A summary of the key responsibilities of the Board include:

1. **Culture and Diversity**– Approving ADX’s statement of values and code of conduct to underpin the desired culture within the ADX Group;
2. **Financial performance** Approving budgets and cash flow forecasts, monitoring management and financial performance;
3. **Financial reporting and audits** Monitoring financial performance including approval of the annual and half-year financial reports and liaison with the external auditor;
4. **Leadership selection and performance** Appointment, performance assessment and removal of the Managing Director and/or Chief Executive Officer. Ratifying the appointment and/or removal of other senior management, including the Company Secretary and other Board members;
5. **Remuneration** Management of the remuneration and reward systems and structures for executive management and staff, including ensuring the Company’s remuneration policies are aligned with the Company’s purpose, values, strategic objectives and risk appetite;
6. **Risk management** Establishing the risk appetite which the Board expects management to operate within. Ensuring that appropriate risk management systems and internal controls are in place, including ensuring that an appropriate framework exists for relevant information to be reported by management to the Board, and whenever required, challenging management and holding management to account; and
7. **Relationships with the exchanges, regulators and continuous disclosure** Ensuring that the capital markets are kept informed of all relevant and material matters and ensuring effective communications with shareholders, including overseeing the Company’s process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company’s securities.



Roles and Responsibilities of the Senior Executives (including Executive Directors)

The Board has delegated to management responsibility for:

- **Strategies.** Assisting in developing and implementing corporate strategies and making recommendations where necessary;
- **Leadership selection and performance.** Appointing management where applicable and setting terms of appointment and evaluating performance;
- **Budgets.** Developing budgets and managing day-to-day operations within budget;
- **Risk Management.** Maintaining risk management frameworks; and
- **Communication.** Keeping the Board and market informed of material events.

Role of the Chairman

- (a) Where practical, the Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director, then the Board will consider appointing a lead independent Director.
- (b) Where practical, the Managing Director should not be the Chairman of the Company during his term as Managing Director or in the future.
- (c) The Chairman must be able to commit the time to discharge the role effectively.
- (d) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (f) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

Role of the Company Secretary

- (a) When requested by the Board, the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committees and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board on corporate governance matters, the application of the Company's Constitution, the ASX Listing Rules and applicable other laws.
- (e) All Directors have access to the advice and services provided by the Company Secretary.

The Board has the responsibility for the appointment and removal of the Company Secretary.

Access to Advice

- (a) All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.
- (c) The Board, Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Appointment of New Directors

Refer to Principle#2 for details on the structure and composition of the Board.

All directors (Executive and Non-Executive) are required to sign a letter of appointment which sets out the key terms and conditions of their appointment, including roles and responsibilities, time commitments and remuneration. Executive directors and other senior executives enter into an employment or consulting agreement which governs the terms of their executive appointment.

The Board undertakes appropriate checks prior to nominating a director for election by shareholders. These checks include a police and reference checks. Shareholders are provided with all material information in its possession concerning a director standing for election or re-election in the relevant notice of meeting.

Evaluating Performance of the Board

The Board, in the absence of a Nomination Committee, shall meet at least annually to review its performance annually, particularly the composition to:

1. Determine the appropriate balance of skills and experience required to suit the Company's current and future strategies;
2. Compare the requirements in (1) above against the skills and experience of current Directors and executives;
3. Considering any professional development requirements for Directors where gaps are identified;
4. Assess the independence of each Director; and
5. Recommending any changes to Board procedures, Committees or the Board composition.

Evaluating Performance of the Directors and Company Secretary

The Board meets once a year with the specific purpose of conducting a review of the performance of its Directors and Company Secretaries. This review includes:

- Measuring the contribution and performance of each Director; and
- Assessing any education requirements or opportunities.

Those Directors being reviewed are asked to leave the meeting during the review process.



Evaluating Performance of Senior Executives

The Board meet at least annually to review the performance of senior executives, considerations include the following:

1. The performance of the senior executive in supplying the Board with information in a form, timeframe and quality that enables the Board to effectively discharge its duties;
2. Feedback from other senior executives; and
3. Any particular concerns regarding the senior executive.

Diversity Policy

Refer to Schedule A.

Trading in ADX Securities by Directors, Officers and Employees

The Board has adopted a specific policy in relation to Directors and officers, employees and other potential insiders buying and selling shares. This Securities Trading Policy is available on ADX's website.

ASX Principles of Corporate Governance and Recommendations

Principle #2: Structure the Board to be Effective and Add Value

The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry to enable it to discharge its duties effectively and to add value.

- Recommendation 2.1:* *The board of a listed entity should:*
- (a) have a nomination committee which:*
 - (1) has at least three members, a majority of whom are independent directors;*
 - and*
 - (2) is chaired by an independent director,*
 - and disclose:*
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
 - (b) **if it does not have a nomination committee**, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*
- Recommendation 2.2:* *A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*
- Recommendation 2.3:* *A listed entity should disclose:*
- (a) the names of the directors considered by the board to be independent directors;*
 - (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and*
 - (c) the length of service of each director.*
- Recommendation 2.4:* *A majority of the board of a listed entity should be independent directors.*
- Recommendation 2.5:* *The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*
- Recommendation 2.6:* *A listed entity should have a program for inducting new directors and periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.*

Nomination Committee

Because the size of the Company and the size of the Board, the Directors do not believe it is appropriate to establish a separate Nomination Committee. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for selection and review is stringent and full details of all Directors are provided to shareholders in the annual report and on the web.



The composition of the Board is reviewed on an annual basis to ensure the Board has the appropriate mix of expertise and experience. This includes an assessment of whether the Board has the skills, knowledge and experience as a group to deal with new and emerging business and governance issues.

Where a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board determines the selection criteria for the position based on the skills deemed necessary for the Board to best carry out its responsibilities and then appoints the most suitable candidate who must stand for election at the next general meeting of shareholders.

An informal induction is provided to all new directors, which includes meeting with technical and financial personnel to understand ADX's business, including strategies, risks, company policies and health and safety.

Composition of the Board

ADX recognises the importance of having a Board comprising of directors with an appropriate range of backgrounds, skills and experience to suit the Company's current and future strategies and requirements.

The Company considers that the Board should have at least three directors (minimum required under the Company's Constitution) and strives to have a majority of independent directors but acknowledges that this may not be possible at all times due to the size of the Company. The number of directors will be maintained at a level which will enable effective spreading of workload and efficient decision making and which will also ensure that the Boards' composition serves the best interests of shareholders.

The Board determines each director's independence using the guiding principle that an independent director is independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement. In applying the guiding principle, the Board will take into consideration the definition in the ASX Principles of Good Corporate Governance and Best Practice Recommendations and appropriate materiality thresholds.

The composition of the board is determined by the application of the following:

- Persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as executive directors must be of sufficient stature and security of employment to express independent views on any matter.
- The Chair should ideally be independent, but in any case, should be non-executive and be elected by the Board based on his/her suitability for the position.
- The roles of Chair and Managing Director/Chief Executive Officer should not be held by the same individual.
- All Non-Executive Directors are expected voluntarily to review their membership of the Board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria



considered desirable for composition of a balanced board and the overall interests of the company.

- Under the Company's Constitution, the minimum number of Directors is three. At each Annual General Meeting, one third of the Directors (excluding the Managing Director, if any) must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.
- the Directors as a group must have the skills, knowledge and experience to deal with new and emerging business and governance issues.

Independence of Directors

The independence of individual Directors is assessed regularly by the Board. Directors facilitate this review by providing up to date information regarding their personal circumstances related to the company, external relationships and potential conflicts of interest. Assessment is made having regard to relevant laws, regulations and listing rules as well as the *Australian Stock Exchange Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations*. The Board's assessment of the independence of individual Directors will be published in the Directors report of annual reports. Length of service shall also be disclosed in the annual report.

Board Skills Matrix

ADX discloses in its annual corporate governance statement a Board Skills Matrix.

All directors are required to maintain professional development necessary to maintain their skills and knowledge needed to perform their duties. In addition to training provided by relevant professional affiliations of the directors, additional development is provided through attendance at seminars and provision of technical papers on industry related matters and developments offered by various professional organisations, such as accounting firms and legal advisors.

Conflict of Interest

In accordance with the Corporations Act 2001 and the Company's constitution, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the director concerned does not receive the relevant board papers and is not present at the Board meeting whilst the item is considered.



ASX Principles of Corporate Governance and Recommendations

Principle #3: Instil a Culture of Acting Lawfully, Ethically and Responsibly

A listed entity should instil and continually reinforce a culture across the organization of acting lawfully, ethically and responsibly.

Recommendation 3.1: A listed entity should articulate and disclose its values.

Recommendation 3.2: A listed entity should:

*(a) have a code of conduct for its directors, senior executives and employees; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that code.*

Recommendation 3.3: A listed entity should:

*(a) have and disclose a whistleblowers policy; and
(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

Recommendation 3.4: A listed entity should:

*(a) have and disclose an anti-bribery and corruption policy; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.*

Values

The Board has adopted a Vision, Mission and Statement of Values. Refer to the section 'Overview: Values, Mission and Values' in this Corporate Governance Manual.

Code of Conduct

The Board has adopted a Code of Conduct for all directors, officers, and employees. The Code of Conduct is available on ADX's website.

The Code of Conduct embraces the ADX's Values.

The Board encourages all stakeholders to report unlawful/unethical behaviour and actively promotes ethical behaviour and protection for those who report potential violations in good faith.

Whistleblowers Policy

The Board has adopted a Whistleblowers Policy, which is available on ADX's website.

Anti-Bribery, Corruption and Fraud Policy

The Board has adopted an Anti-Bribery, Corruption and Fraud Policy, which is available on ADX's website.

The Board has a separate agenda item at each Board meeting to enquire about any known breaches of Company policies.



ASX Principles of Corporate Governance and Recommendations

Principle #4: Safeguard the Integrity of Corporate Reports

A listed entity should have appropriate processes to verify the integrity of its corporate reports.

- Recommendation 4.1: The board of a listed entity should:*
- (a) have an audit committee which:*
 - (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and*
 - (2) is chaired by an independent director, who is not the chair of the board, and disclose:*
 - (3) the charter of the committee;*
 - (4) the relevant qualifications and experience of the members of the committee; and*
 - (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
 - (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*
- Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*
- Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic report it releases to the market that is not audited or reviewed by an external auditor.*

The Board of Directors has a primary responsibility to ensure that:

- ADX presents and publishes accounts which present a true and fair view of its results and financial position;
- The accounting methods adopted are appropriate to the Company and consistently applied in accordance with relevant accounting standards and the applicable laws;
- Appropriate governance, risk management and internal compliance procedures are in place; and
- The appointment and performance of the external auditor is appropriately monitored to ensure independence and the serving of the interests of shareholders.

Management Accountability

The Board encourages management accountability for the Company's financial reports by requiring the Company Secretary/CFO and the Managing Director/CEO to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's



financial condition and operational results and are in accordance with relevant accounting standards.

Audit Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate audit committee is not considered appropriate for ADX. In addition to managements accountability referred to above, the Board assures integrity of the financial statements by:

- (a) reviewing the Company's statutory financial statements to ensure the reliability of the financial information presented and compliance with current laws, relevant regulations and accounting standards;
- (b) monitoring compliance of the accounting records and procedures, in conjunction with the Company's auditor, on matters overseen by the Australian Securities and Investments Commission, Australian Stock Exchange Limited ("ASX") and Australian Taxation Office;
- (c) ensuring that governance, risk management, management reporting procedures, and the system of internal control, are of a sufficient standard to provide timely, accurate and relevant information as a sound basis for management of the Group's business;
- (d) reviewing audit reports and management letters to ensure prompt action is taken by the Company's management; and
- (e) When required, nominating the external auditor and at least annually reviewing the external auditor in terms of their independence and performance in relation to the adequacy of the scope and quality of the annual statutory audit and half-year review and the fees charged.

Where appropriate, the Audit Partner responsible for the audit of the Company may be invited to attend Board meetings.

Appointment of External Auditors

The Board shall be directly responsible for the appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting.

The Board shall pre-approve all audit and non-audit services provided by the external auditors and shall not engage the external auditors to perform any non-audit/assurance services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company. The Board may delegate pre-approval authority to the Company Secretary. The decisions of the Company Secretary to whom pre-approval authority is delegated must be presented to the Board at its next scheduled meeting. When reviewing the auditor's independence, the Board will encourage the rotation of the audit partner at least once every 5 years.

External Auditors – attendance at AGM

The external auditor shall be requested to attend the Company's Annual General Meeting.



ASX Principles of Corporate Governance and Recommendations

Principle #5: Make Timely and Balanced Disclosure

A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

- Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*
- Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*
- Recommendation 5.3: A listed entity that gives a new or substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*
-

The Board has a Continuous Disclosure Policy to ensure the compliance of the Company with the various laws and ASX Listing Rule obligations in relation to disclosure of information to the market. The Managing Director/CEO is responsible for ensuring that all employees are familiar with and comply with the policy. The Continuous Disclosure Policy is contained in Schedule B.

The Company Secretary is responsible for ensuring that all Directors promptly receive a copy of all material market announcements after these announcements have been made.

ADX ensures that a copy of all ADX investor and analyst Presentations are released on ASX prior to the presentation.



ASX Principles of Corporate Governance and Recommendations

Principle #6: Respect the Rights of Security Holders

A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise those rights as security holders effectively.

- Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.*
- Recommendation 6.2: A listed entity should have an investor relations program that facilitates effective two-way communication with investors.*
- Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*
- Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.*
- Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

The Company places significant importance on effective communication with shareholders and is continually encouraging Shareholders to elect electronic communications.

Information is communicated to shareholders through the distribution of the annual and half yearly financial reports, quarterly reports on activities, announcements through the Australian Stock Exchange and the media, on the Company's website and through the Chairman's address at the annual general meeting.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email, facsimile or post.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

Website

The Company's website at www.adxenergy.com.au contains up to date information regarding the operations of the Company, its management, corporate governance, activities and contact details. All announcements made to the Australian Stock Exchange Limited (ASX), financial reports, press releases and other relevant information are available on the website.

Investor Relations Program

The Company places significant importance on effective communication with shareholders. The Company has adopted the following Investor Relations Program.

Information is communicated to shareholders through:

1. the Annual Report (if requested by Shareholders) delivered by email or post when requested and which is also placed on the Company's website;
2. the half yearly report which is placed on the Company's website;
3. the quarterly reports which are placed on the Company's website;



4. disclosures and announcements made to the Australian Securities Exchange (ASX) copies of which are placed on the Company's website;
5. notices and explanatory memoranda of Annual General Meetings (AGM) and General Meetings (GM) copies of which are emailed or posted and placed on the Company's website;
6. the Chairman's address and the Managing Director/CEO's address made at the AGMs and the GMs, copies of which are placed on the Company's website;
7. the Company's website on which the Company posts all announcements which it makes to the ASX; and
8. the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

After the Annual General Meeting, the Managing Director/CEO provides shareholders with a presentation. Afterwards all directors are available to meet with any shareholders and answer questions.

Shareholders are encouraged to contact ADX through the 'Contact' section on ADX's website to submit any questions via email, or phone.

ADX's website provides communication details for its Share Registry, including an email address for shareholder enquiries direct to the Share Registry.

In addition, news announcements and other information are sent by email to all persons who have requested their name to be added to the email list. If requested, the Company will provide general information by email.

The Company will, wherever practicable, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

Shareholder Meetings

The Company conducts an annual general meeting in accordance with legal and listing requirements. All Directors are requested to be present to answer any shareholder questions. The Company ensures that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.

The Company will ensure that the annual general meeting is held in a manner that enables as many shareholders as possible to attend and encourages effective participation by shareholders. The Notice of Annual General Meeting provides details of the location, time and date of the Meeting, explanatory notes presenting the business to be considered by shareholders and details about any candidate standing for election or re-election as a Director of the Company.

The Company will request that its external auditor attend the Company's annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Chair of that meeting will allow a reasonable opportunity for members to ask questions about the Company's performance and operations.

ASX Principles of Corporate Governance and Recommendations

Principle #7: Recognise and Manage Risk

A listed entity should establish a sound management framework and periodically review the effectiveness of that framework.

- Recommendation 7.1: The board of a listed entity should:*
- (a) have a committee or committees to oversee risk, each of which:*
 - (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director,**and disclose:*
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
 - (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*
- Recommendation 7.2: The board or a committee of the board should:*
- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
 - (b) disclose, in relation to each reporting period, whether such a review has taken place.*
- Recommendation 7.3: A listed entity should disclose:*
- (a) if it has an internal audit function, how the function is structured and what role it performs; or*
 - (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.*
- Recommendation 7.4: A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.*

Managing Risk

Due to the size of the Company, no formal risk management policy is in place. Risks to the Company are reviewed at regular Board meetings as necessary and during any reviews of operating and strategic plans. The Company employs executives and retains consultants each with the requisite experience and qualification to enable the company to manage the risks to the Company.

The Board is responsible for satisfying itself that risk management is operating with due regard to the risk appetite set by the Board and is effective and as a result, executives and consultants are asked to report to the Board when requested.

Any significant key risks identified by the Board are discussed to:

- (a) determine the impact upon the achievement of the Company's goals and objectives;
- (b) implement strategies to minimize the risk; and

(c) monitor and assess the effectiveness of risk management and internal compliance and control.

To this end, practises are in place that are directed towards achieving the following objectives:

1. compliance with applicable laws and regulations;
2. preparation of reliable published financial information; and
3. implementation of risk transfer strategies where appropriate eg insurance and hedging.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

RISK PROFILE

The oil and gas industry has additional risks to those of other businesses. The Board recognises the following main types of risk:

Operational Risk

The business of hydrocarbon exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, among other things:

- (i) the discovery or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to hydrocarbon interests;
- (v) obtaining consents and approvals necessary for the conduct of hydrocarbon exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and the establishment of production facilities. There is no assurance that any exploration on current or future interests will result in the discovery of an economic hydrocarbon project. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed. The operations of the Company and the operator of the assets in which it has or may have interests may be affected by various factors, including failure to achieve predicted volumes in exploration and drilling, operational and technical difficulties encountered in drilling, poor data acquisition, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment. The Company's assets are also susceptible to damage from natural disasters.



Exploration Success

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The prospects held by the Company are at various stages of exploration, and potential investors should understand that exploration is a high-risk undertaking.

There can be no assurance that exploration of the Company's prospects, or any other prospects that may be acquired in the future, will result in the discovery of a commercial oil or gas reserve. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or will flow at commercial rates.

The estimated exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company viability.

Development and Operating Risks

If the Company achieves exploration success that leads to a decision to conduct feasibility work and then develop production operations, the development and ongoing production from such operations may be adversely affected by various factors, including failure to locate or identify hydrocarbon reserves; failure to achieve predicted well production flow rates; operational and technical difficulties encountered in production; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated reservoir problems which may affect field production performance; adverse weather conditions; industrial and environmental accidents; industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Production risks

Current production from the Company's Fields and future production may vary materially from targets and projections of future production for a variety of reasons. In general terms, the less actual production information available for an asset the greater the likelihood that its performance will vary from estimates. Production risks associated with the marketability and commerciality of oil and gas to be acquired and produced by the Company of the assets in which it has or may have interests include but are not limited to reservoir characteristics, market fluctuations, the proximity and capacity of pipelines and processing equipment, the market price of oil and gas and relevant government regulations. Production decreases or stoppages may also result from fluctuations in permeability and flow rates, the presence of impurities in the extracted product, facility shut-downs, mechanical or technical failures and other unforeseeable events which are beyond the control of the Company.

Hydrocarbon Resources and Reserves & Commercial Hydrocarbon Flow

The Company's hydrocarbon resources and reserves are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, estimates of hydrocarbon resources and reserves are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result



in alterations to development and commercial hydrocarbon flow plans which may, in turn, adversely affect the Company's operations.

Environmental Risk

The Company is subject to laws and regulations to minimise the environmental impact of its' operations as well as rehabilitation of any areas affected by the Company's operations. These laws can be costly to operate under and can change, further adversely affecting the Company. No assurance can be given that current or future requirements under environmental laws will not result in the cessation of exploration or production activities, the curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect ADX's financial condition, results of operations or prospects. Penalties for failure to adhere to the laws or, in the event of environmental damage, the penalties and remediation costs can be substantive. In the areas in which the Company holds oil and gas interests, there are rules and regulations governing conservation matters, including abandonment of drilled wells. The Company may require approval from relevant authorities before it can undertake activities that may impact the environment, including drilling wells. Failure to obtain such approvals may prevent the Company from achieving its business objectives.

It is the Company's intention to conduct its activities in compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

Conditions of Permits & Licences

The Company has permits to produce, explore and implement the projects. There is a risk that the Company does not have or might lose any or all of those permits or licences required for the operation of the projects, or that the Company will not comply with the ongoing requirements imposed under those permits or licences. There is also a risk that the permits and licences required or the conditions imposed on the Company under them will change from time to time. The Company's ongoing compliance costs may increase as a result. Any of the above may adversely affect the Company's financial performance.

Commodity Price Volatility, Exchange Rate & Government Risks

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company and the value of its assets. In particular, changes in the current and expected future price of hydrocarbons and other commodities can change rapidly and significantly and this can have a substantial effect on the value of the Company's assets and the potential future revenue and profits that might be earned from any successful development of those assets.

Revenue derived through the sale of hydrocarbons exposes the income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors affecting their demand and supply beyond the control of the Company. Such factors include global industrial production levels and economic sentiment, inflation and interest rates, industrial disputes, wars and other military activity, technological advancements, forward selling activities, government environmental policies, infrastructure investment, weather conditions and general exploration success.

Furthermore, international prices of some commodities (e.g. crude oil) are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Euro and AUD currency, exposing the Company to the fluctuations and volatility of the rate of



exchange between the United States dollar, Euro and the Australian dollar as determined in international markets.

Changes in government, monetary policies, taxation and other laws and regulations can also have a significant influence on the outlook for projects and companies and the actual and potential returns to investors.

Community Risks

Many countries in which the Company operates have community title / empowerment, or heritage legislation and / or regulations. These rules impose certain requirements on Oil and Gas companies who undertake or plan to undertake various exploration, development or drilling activities. The risks associated with the rules are generally associated with the imposition of various uncertainties as to timetables and costs. No assurance can be given that the Company will be able to explore or conduct drilling activities within acceptable timeframes or on terms acceptable to it.

Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Managing Growth

Growth of the Company will require preparedness for the deployment of management systems relating to financial monitoring and controls, human resources, corporate compliance, marketing, technical and changes in the competitive landscape. The Company recognises the need to employ qualified people to fill roles within the organisation and believe that such individuals can be attracted to the Company although in the initial phase of the Company's operations, its size may be a limiting factor in being able to attract suitable candidates.

Risks Associated with Future Acquisitions

The Company intends to investigate and consider selective acquisitions of investments or businesses in accordance with the Constitution, the business need and strategic direction of the Company. There are no assurances that the Company will be able to identify suitable acquisition candidates available for sale at reasonable prices, complete any acquisitions or successfully integrate any acquired business into the Company's operations.

Insurance

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company. The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover considered to be appropriate for the Company's needs. However, such insurance cover may not always be available, economically justifiable, fully cover a particular claim or the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. Additionally, while the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy.



Further Capital

To expand its operations the Company will require additional capital from time to time. The ability of the Company to raise this capital will be affected by, amongst other things, the state of the market, the performance of the Company, the preparedness of investors to invest into the Company and the quality of the opportunity.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated an internal control framework that can be described under two headings:

- Financial Reporting – Financial results are reported and reviewed regularly. The Group reports to shareholders quarterly, half-yearly and annually.
- Continuous disclosure – the Company has a policy that all shareholders and investors have equal access to the Company's information and has procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules. All information provided to the ASX is immediately posted to the Company's website. The Managing Director/CEO and the Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Directors and the Company Secretary are responsible for all communications with ASX.

No Internal Audit - CEO and CFO Assurance

No internal audit function is currently in place due to the size of the Company. The Board encourages management accountability for the Company's financial reports by ensuring ongoing financial reporting during the year to the Board. Quarterly, the Company Secretary/CFO and the Managing Director/CEO are required to state in writing to the Board that in all material respects:

Declaration required under s295A of the Corporations Act 2001

- the financial records of the Group for the financial year have been properly maintained;
- the financial statements and notes comply with the accounting standards;
- the financial statements and notes for the financial year give a true and fair view;
- any other matters that are prescribed by the Corporations Act regulations as they relate to the financial statements and notes for the financial year are satisfied; and

Additional declaration required as part of corporate governance

- the risk management and internal compliance and control systems in relation to financial risks are sound, appropriate and operating efficiently and effectively.

ASX Principles of Corporate Governance and Recommendations

Principle #8: Remunerate Fairly and Responsibly

A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.

- Recommendation 8.1: The board of a listed entity should:*
- (a) have a remuneration committee which:*
 - (1) has at least three members, a majority of whom are independent directors; and*
 - (2) is chaired by an independent director, and disclose:*
 - (3) the charter of the committee;*
 - (4) the members of the committee; and*
 - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
 - (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*
- Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*
- Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:*
- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
 - (b) disclose that policy or a summary of it.*

Board Remuneration Committee

Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered efficient for ADX. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process for determining remuneration is stringent and full details of remuneration policies and payments are provided to shareholders in the annual report and on the web.

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre Executives; and
- if required, establish appropriate, demanding performance hurdles in relation to variable Executive remuneration.



The Group has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

Both Executive and Non-Executive Directors may elect, subject to Shareholder approval, to reduce their cash director fees and consulting fees in lieu of Shares in accordance with the Company's Directors' Share Plan (Salary Sacrifice). The Shares are issued on a quarterly basis according to the Directors' fees owing to each of the Directors at that time, at an issue price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the Directors' fees were incurred. The Executive Directors may also elect, subject to Shareholder approval, to reduce their cash consulting fees in lieu of Options in accordance with the Company's Performance Rights and Option Plan. The Options are issued on a quarterly basis according to the consulting fees owing to each of the Directors at that time, using a deemed price of no less than the volume weighted average sale price of Shares sold on ASX during the 90 days prior to the expiration of the corresponding calendar quarter in which the consulting fees were incurred.

Non-executive director remuneration

Structure

Non-executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination. Non-executive Directors' remuneration may include an incentive portion consisting of options or similar instruments, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with ASX listing rules.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-executive Directors when undertaking the annual review process. Fees for Non-Executive directors are not linked to the performance of the Group.

Executive director and senior executive remuneration

Structure

In determining the level and make-up of Executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Remuneration is compared with the external market by reviewing industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

Remuneration consists of a fixed remuneration and may include a long term incentive portion as considered appropriate.

Executives remuneration is currently a fixed consulting fee based on a daily rate for actual days worked.

Long term incentives granted to Executives are delivered in the form of options. The option incentives granted are aimed to motivate Executives to pursue the long term growth and success of the Company



within an appropriate control framework and demonstrate a clear relationship between key Executive performance and remuneration. Director options are granted at the discretion of the Board and approved by shareholders. Performance hurdles are not attached to vesting periods; however the Board may determine appropriate vesting periods to provide rewards over a period of time to key management personnel. During the year there were no performance related payments made.

Employee Incentive Scheme

ADX has a Performance Rights and Option Plan. The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the Plan and the future issue of Incentive Options and Performance Rights under the Plan provides selected employees with the opportunity to participate in the future growth of the Company. Incentive Options and Performance Rights may also be offered to key employees in lieu of fees to align employees with shareholder objectives and minimise consumption of cash.

Shareholders approve the Performance Rights and Option Plan every three years.

Disclosure of Directors' and Executives' Remuneration

In accordance with the Corporations Act and Accounting Standards requirements, full detailed disclosure of Directors' and executives' remuneration is made in ADX's annual report in the Remuneration Report. Any other transaction with directors is also fully disclosed in the related parties note in the annual report.

In accordance with ASX listing rule 3.1, continuous disclosure is made of any significant employment agreements or termination agreements or payments which may have a material effect on the price or value of ADX securities, or because of its nature, the Directors believe disclosure should be made.



SCHEDULE A – DIVERSITY POLICY

INTRODUCTION

The Company and all its related bodies corporate are committed to workplace diversity. This Diversity Policy aligns with the Company's Statement of Values.

The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the Company will address the recommendations and guidance provided in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Diversity Policy does not form part of an employee's contract of employment with the Company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the Company with which an employee is expected to comply.

OBJECTIVES

The Diversity Policy provides a framework for the Company to achieve:

- (a) a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- (b) a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- (c) improved employment and career development opportunities for women;
- (d) a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- (e) awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity,

(collectively, the **Objectives**).

The Diversity Policy does not impose on the Company, its Directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

RESPONSIBILITIES

(a) The Board's commitment

The Board is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Board.

The Board will conduct all Board appointment processes in a manner that promotes gender diversity, including establishing a structured approach for identifying a pool of candidates, using external experts where necessary.

(b) Strategies

The Company's diversity strategies include:

- 1) recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- 2) reviewing succession plans to ensure an appropriate focus on diversity;
- 3) identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- 4) developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including, workplace development programs, mentoring programs and targeted training and development;
- 5) developing a culture which takes account of domestic responsibilities of employees; and
- 6) any other strategies the Board develops from time to time.

MONITORING AND EVALUATION

The Chairman will monitor the scope and currency of this policy. The Company is responsible for implementing, monitoring and reporting on the Measurable Objectives.

REPORTING

The Board will include in the Annual Report each year:

- (c) the Measurable Objectives, if any, set by the Board;
- (d) progress against the Objectives; and
- (e) the proportion of women employees in the whole organisation, at senior management level and at Board level.

Periodic Review

This Policy will be reviewed every two years to ensure it operates effectively.



SCHEDULE B – CONTINUOUS DISCLOSURE POLICY

ADX is committed to:

- (a) ensuring that shareholders and the market are provided with timely and balanced information about its activities;
- (b) complying with the general and continuous disclosure principles contained in the Australian Stock Exchange Limited (“ASX”) Listing Rules and the Corporations Act 2001;
- (c) ensuring announcements are accurate, balanced and expressed in a clear and objective manner that allows investors to access the impact of the information when making investment decisions; and
- (d) ensuring that all market participants have equal opportunities to receive externally available information issued by ADX.

Material Information

- All management and staff must inform the Chairman, Managing Director/CEO or Company Secretary of any potentially material information or proposal as soon as practicable after becoming aware of that information.
- Information is material if it is likely that the information would influence investors in deciding whether to buy or sell ADX securities.
- Material information need not be disclosed if all of the following are satisfied:
 - a reasonable person would not expect the information to be disclosed; and
 - the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
 - one of the following applies:
 - it would breach the law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for internal management purposes; or
 - the information is a trade secret.
- Subject to and in accordance with the provisions of ASX Listing Rule 3.1, the Chair and Managing Director/CEO must immediately notify the market, via an announcement to the ASX, of any information concerning ADX that the Managing Director/CEO and/or Chairman



believes a reasonable person would expect to have a material effect on the price or value of ADX securities. The Company Secretary is the Authorised Officer for Listing Rule purposes.

- ADX must not, under any circumstances, disclose material information to the market prior to the ASX releasing the information to the market. If unreleased material information is unintentionally communicated, by ADX or an employee, in any forum, the Managing Director/CEO, or in his absence, the Company Secretary, must be advised immediately so the market can be informed.

False Market

- **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. Such an event may trigger an enquiry from the ASX under Listing Rule 3.1B. 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 Managing Director/CEO or Company Secretary as soon as they become known.
- **Assessment of the Company's response.** When a matter is reported, the Managing Director/CEO or Company Secretary will discuss the significance of the matter and possible disclosure responses with the Chair.
- **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.

- **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 Managing Director/CEO or, in his absence, the Company Secretary.

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 the Chair or the Managing Director/CEO from time to time.

Announcements

In preparing ASX announcements, the Chairman and Managing Director/CEO must ensure that:



- any statement, forecast or other information that is notified to the ASX is not misleading, false or deceptive and does not omit any material information;
- the announcement complies with any specific requirements set out in the ASX Listing Rules;
- the announcement complies with the requirements of any other legal or regulatory obligations;
- the announcement does not include any statements designed to market or promote ADX's activities that result in the announcement becoming misleading (e.g. where an adverse event or circumstance is obscured by other more positive matters); and
- appropriate verification has been undertaken of the contents of the announcement.

The nature and extent of verification will depend upon the subject matter of the announcement but should include confirmation as to the accuracy of facts where necessary from management and may include a review and input from ADX's external advisers (where necessary).

All periodic financial reports are released after the CEO and CFO (or equivalents) have signed the declaration required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001.

Presentations, including those to new and substantive investors, or to analysts, are to be lodged as an ASX announcement prior to the presentation.

All announcements are to be released (or organised to be released) by the Company Secretary.

After confirmation of the release has been obtained from ASX, a copy is circulated to all directors. All announcements released are to be posted to ADX's website as soon as practical.

Release of reports as required by the Corporations Act and ASX Listing Rules

ADX must lodge, in a timely fashion, the following reports if and as required by the ASX Listing Rules and the Corporations Act 2001:

- the annual report;
- the half yearly report and accounts;
- the quarterly activities and cash flow reports; and
- any other reports required to be lodged under the ASX Listing Rules or the Corporations Act 2001.

The Company will include commentary on its financial results to enhance the clarity and balance of reporting. This commentary will include information needed by an investor to make an informed assessment of the entity's activities and results.

Information briefings with analysts

- ADX may provide background and technical information in one-on-one briefings with analysts, fund managers, brokers or institutional investors to assist them in their understanding of ADX's business activities. The Managing Director/CEO must review any written presentation material prepared for meetings prior to the meeting to determine whether all information has previously been disclosed to the market or may require disclosure.



- A one-on-one briefing includes any communication between ADX and a broker, analyst, fund manager, or institutional investor including phone calls.
- No previously undisclosed material information may be disclosed at these meetings. If an employee considers that previously undisclosed material information has been disclosed, they must immediately inform the Company Secretary so that the previously undisclosed information can be released to the market.

Release of information to the public

- Only the Chairman, the Managing Director/CEO, an Executive Director or the Company Secretary are authorised to provide comment about the Company, or speak on behalf of ADX, to the media. Any other employees providing comment on the Company must first obtain the authorisation of the Chairman or Managing Director/CEO.
- ADX employees must not respond to any market speculation or rumours about the Company, unless authorised by the Chairman or Managing Director/CEO to do so.

Periodic Review

This Policy will be reviewed every two years to ensure it operates effectively.