

Policy No:	1.10
Effective date:	1 September 2011
Replaces:	1 January 2006
Recommended by:	Executive General Manager Corporate Affairs
Authorised by:	Managing Director / PaperlinX Board

Continuous Disclosure and Investor Relations

Purpose

This policy sets out the requirements and procedure for continuous disclosure applicable to PaperlinX Limited in accordance with Australian law.

Policy

This policy applies to all PaperlinX businesses worldwide.

PaperlinX is committed to

- promoting investor confidence and ensuring that shareholders and the market are provided with factual, clear and timely disclosure of all material matters concerning the Company ;
- ensuring PaperlinX (PaperlinX) complies with the continuous disclosure obligations contained in the Listing Rules of the Australian Securities Exchange Limited, the disclosure requirements under the Corporations Act 2001 and the disclosure requirements pursuant to the Corporate Governance Principles and Recommendations.;
- ensuring that all shareholders have equal and timely access to externally available information issued by the Company.

The Company can, at any time, amend all or part of this policy, at the discretion of Managing Director as approved by the PaperlinX Board.

Introduction

In accordance with ASX Listing Rule 3.1, the Company shall immediately notify the ASX if it becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Chapter 6 CA of the Corporations Act require disclosure of information not generally available to the market which is information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Failure to comply can result in civil and criminal proceedings against both the Company and any person involved in the contravention. Substantial damages and penalties apply under the Corporations Act.

Definitions

Company's Securities

PaperlinX Limited, PaperlinX Step-Up Preference and related securities (if any)

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Material effect

Information will be expected to have a material effect on the price or value of the Company's securities, if a reasonable person would expect the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell, the Company's securities.

False market

Where there is a specific rumour or media comment in relation to the Company that has not been clarified or confirmed by an announcement to the ASX, and there is evidence that the market price of the Company's securities is moving in a way referable to such a rumour or comment.

If ASX considers that there is or is likely to be a false market in the Company's securities, the Company must give ASX the information needed to correct or prevent a false market.

Exceptions to Continuous disclosure

The only exception to the Continuous Disclosure rule is where:

- 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 the information has ceased to be confidential; *and*
- c) one or more of the following applies:
 - it would be a breach of a 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 the internal management purposes of the Company.
 - the information is a trade secret.

Confidential information may be given to third parties in the ordinary course of the Company's business and activities but the Company must retain control over the use and disclosure of the information and have the third party execute appropriate confidentiality arrangements.

Information which is not confidential does not qualify for the exceptions from disclosure. If information has been leaked, even in breach of a duty of confidentiality, it is no longer confidential and disclosure of the information to the ASX will be required.

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Potentially Disclosable Information

The following are examples of matters that may require disclosure and should be discussed with the Managing Director, Chief Financial Officer and Executive General Manager Corporate Affairs:

Any matter that may include but is not limited to matters:

- (a) that might affect PaperlinX's ability to carry on business;
- (b) that might have a material effect on the future business activities of PaperlinX;
- (c) that might have a material effect on income, cash flow or the ability to generate profits;
- (d) of strategic and/or operational importance which are likely to influence a decision by a third party to invest in PaperlinX shares;
- (e) involving any change in regulations or laws that could materially affect PaperlinX's business;
- (f) involving a significant allegation of any breach of the law, whether civil or criminal, by PaperlinX or any of its employees;
- (g) a material change in PaperlinX's published financial forecasts or expectations;
- (h) that may have a materially adverse effect on PaperlinX's reputation;
- (i) involving a material change in senior executive personnel or structure;
- (j) the appointment of a receiver, manager, liquidator or administrator to a PaperlinX group company or an event which could result in a PaperlinX group company becoming insolvent;
- (k) transaction for which the consideration payable or receivable is a significant proportion of the written down value of PaperlinX's consolidated assets;
- (l) a recommendation or declaration of a dividend or distribution;
- (m) a recommendation or decision that a dividend or distribution will not be declared;
- (n) under-subscriptions or over-subscriptions to a share issue;
- (o) information about any undisclosed substantial shareholdings obtained under Part 6C.2 of the Corporations Act;
- (p) giving or receiving a notice of intention to make a takeover;
- (q) an agreement between PaperlinX (or a related party of PaperlinX) and a director (or a related party of the director);
- (r) a material change in accounting policy adopted by PaperlinX;
- (s) any rating applied by a rating agency to PaperlinX, or securities of PaperlinX and any change to such a rating;
- (t) a proposal to change PaperlinX's auditor;
- (u) there is a reasonably specific rumour or media comment in relation to the entity that has not been confirmed or clarified by an announcement by the entity to the market;

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- (v) there is evidence that a rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of the entity's security.

What is "material" in relation to the foregoing will be a matter for judgement in each particular case. The ASX Corporate Governance Council has said that: "the determination of materiality requires consideration of both quantitative and qualitative elements. AASB 1031 provides guidance in relation to a quantitative assessment of materiality. An item is presumed to be immaterial if it is equal to or less than 5% of the base amount. It is presumed to be material (unless there is evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount."

The ASX Guidance Note 8 commentary said that, in relation to previously released financial forecast or expectations, "As a general policy, a variation in excess of 10% to 15% may be considered material."

A matter may be disclosable even if it does not come within any of the above categories and any Director, manager or employee of the Company should immediately consult with Executive General Manager Corporate Affairs if they believe the information may potentially be disclosable.

Disclosure Responsibilities

Board of Directors

Responsibilities include to ensure that the Company complies with its continuous disclosure obligations.

Any proposed releases to the ASX may be initiated by management or the Board. Releases which relate to price sensitive information require the approval of the PaperlinX Limited Board.

Disclosure Committee

Managing Director and Chief Financial Officer together with Executive General Manager Corporate Affairs review all information of which they become aware for the purposes of ASX Listing Rule 3.1 and are the management responsible for assisting the Board to ensure that the Company complies with the continuous disclosure requirements.

ASX liaison

Executive General Manager Corporate Affairs is responsible for: communicating with the ASX in relation to Listing Rules matters including overseeing and coordinating disclosure of information to the ASX.

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Executive General Manager, Corporate Affairs

Responsibilities include:

- reviewing the information including consulting with PaperlinX management and personnel to determine the accuracy of the information to be disclosed;
- coordination of the Disclosure Committee discussion;
- preparation of all releases to ASX by the Company and its related corporations and other Corporate Presentation material;
- overseeing and coordinating disclosure of information to analysts, brokers, shareholders, the media and the public;
- ensuring all information disclosed to the ASX will be promptly placed on the PaperlinX website;
- overseeing and coordinating disclosure of information to the ASX;
- providing advice in relation to the ASX Listing Rules;
- communicating and raising directors and employees awareness of this Policy;
- reviewing the appropriateness of this Policy in term of its processes;
- updating this Policy as and when required to comply with the Corporations Act and ASX Listing Rules.

Authorised Company spokespersons

The main spokesperson for PaperlinX and its related company is the Executive General Manager Corporate Affairs and in his absence, the following are the Company's authorised spokespersons:

- Managing Director
- Chief Financial Officer (in his absence the Deputy Chief Financial Officer)
- any other persons authorised by the Chairman or Managing Director from time to time

The spokespersons are entitled to clarify information publicly released through the ASX, but they should not add or reveal material price sensitive matters.

Executive General Manager Corporate Affairs should be kept advised of all discussions with the media and consulted in relation to any significant briefings or disclosures.

Reporting Processes

An employee who is aware of any potentially price sensitive information must as soon as practical inform their head of department/business unit before escalating the matter to the Executive General Manager Corporate Affairs.

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Disclosure issues are standing item at the PaperlinX Limited's Board of Directors and PaperlinX Executive meetings and in divisional monthly reports. Every director and executive is required to consider whether they have knowledge or information that may require disclosure by the Company under its continuous disclosure obligations.

All potential matters for disclosure should be brought to the attention of Executive General Manager Corporate Affairs. The Executive General Manager Corporate Affairs should be present at all PaperlinX Limited Board of Directors and Executive meetings and should be provided with the divisional monthly reports.

Approval Process

Any proposed Release which relate to price sensitive information may be reviewed by the Nomination & Governance Committee which will then recommend to the Board for approval. All price sensitive releases must be approved by the PaperlinX Limited Board.

INVESTOR RELATIONS

Contact with the financial market ("market discussions")

The Company interacts regularly with the financial market in a variety of ways including results briefings, market announcements, formal addresses and one-on-one briefings. Where practical, results briefing will be accessible through a webcast or other mass communication mechanism. In addition, the Company provides background and technical information to institutional investors and stockbroking analysts to support announcements made to the ASX.

Comments confined to factual matters

The Company recognises that it is important to have financial market discussions and that there should be no undisclosed price sensitive information communicated during these discussions. The authorised Company spokespersons may clarify information that the Company has publicly released, but must not comment on material price or value sensitive issues that have not been disclosed to the market generally.

Company representation at market discussions

In relation to external briefings on the Company, wherever possible, Executive General Manager Corporate Affairs should be present. Otherwise, one of the Company persons present will be nominated to take notes of what is said. These notes will be provided to Executive General Manager Corporate Affairs as soon as practicable after the discussions. Any information that is considered to be materially price or value sensitive, which is inadvertently released, should be immediately released to the ASX via Executive General Manager Corporate Affairs.

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Slides and presentations used in market discussions should be given to Executive General Manager Corporate Affairs who, in consultation with Managing Director and Chief Financial Officer, will determine whether all information has been previously disclosed to the market or may require disclosure.

Advance provision of briefing materials

Any slides and presentation materials proposed to be used at a briefing will, if not previously disclosed, be disclosed to the ASX by the Executive General Manager Corporate Affairs and placed on the Company's website as soon as receipt of confirmation has been received from the ASX.

Review of analyst reports

The Company recognises the important role performed by analysts in assisting the establishment of an efficient market with respect to the Company's securities. However, the Company is not responsible for, and does not endorse, analyst reports that contain commentary on the Company.

Forecasts are complex and based upon a wide range of assumptions beyond the Company's control. The Company will not comment upon nor endorse external earnings projections.

Review of draft reports

Where analysts send draft reports to the Company to comment, they must immediately be referred to Executive General Manager Corporate Affairs.

The Company will not provide non-disclosed material price or value sensitive information in response to such reports. The information may be reviewed only to correct factual inaccuracies on historical matters. Any correction of factual inaccuracies by the Company does not imply endorsement of the contents of these reports.

Responding on financial projections and reports

Comments on the Company's published financial projections and reports will only be made in relation to material that has already been publicly disclosed. Responses will be avoided which suggest that the Company or the market's current projections are incorrect. The Company will publicly announce any material change in expectations before commenting to anyone outside the Company.

Disclosure of Corporate Governance compliance

The Company will include in the Corporate Governance section of its Annual Report, and/or make publicly available by posting on the Company's website in the Corporate Governance section, all such information as the Company is required to disclose as a consequence of the reporting requirements specified in the ASX Corporate Governance Council Recommendations.

General Meetings

Notice of general meeting is provided to all shareholders in accordance with the Corporations Act and ASX Listing Rules. Shareholders are encouraged to send their questions to the Company ahead of the general meeting either in writing or through the "Contact Us" on the PaperlinX website.

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E-Communication

Shareholders and any persons may subscribe to receive the Company's latest ASX announcements via e-mail by registering their email address at "Register For News" on the PaperlinX website. Alternatively, they can go to the PaperlinX website to download the announcement. All PaperlinX ASX announcements will be placed on the PaperlinX website as soon as practical after the Company receives the ASX confirmation.

All PaperlinX ASX announcements can be obtained from the PaperlinX and ASX websites.

Breaches of this policy

Breaches of this policy may lead to disciplinary action being taken against the employee involved, including dismissal in serious cases.

References

- *ASX Listing Rules*
- *ASX Guidance Note*
- *ASX Corporate Governance Principles & Recommendations*
- *Australian Corporations Act*