

6.0 Continuous Disclosure

6.1 Summary of guidelines

These guidelines provide a system for regularly gathering material information concerning the operations of MDI from persons involved in the management of MDI including the following:

- Directors;
- Executive Team (who report to the CEO); and
- Senior managers reporting to any of the Executive Team.

The purpose of these guidelines is to:

- ensure MDI, in a listed environment, meets its continuous disclosure responsibilities under the Corporations Act and the Listing Rules of the Australian Stock Exchange Limited (ASX Listing Rules); and
- ensure that MDI's Board is able to consider all relevant information and where appropriate, initiate disclosures, so that there is a fully informed market in respect of MDI's listed securities post-listing.

6.2 Continuous Disclosure Reporting Obligations

6.2.1 Sources of Obligations

The sources of MDI's continuous disclosure obligations are:

- the ASX Listing Rules (particularly 3.1 and 3.1B); and
- the continuous disclosure provisions contained in the Corporations Act (in particular, section 674 Corporations Act).

6.2.2 Role and Responsibilities of the ASX and ASIC

ASIC and the ASX jointly administer the continuous disclosure regime for disclosing entities listed in Australia. The ASX is responsible for administering the Listing Rules while ASIC is responsible for enforcing the Corporations Act.

6.2.3 ASX Disclosure Obligations

(a) ASX Listing Rule 3.1 and 3.1B

MDI must immediately notify the ASX of:

'any information of which MDI is or becomes aware, concerning MDI that a reasonable person would expect to have a material effect on the price or value of MDI's shares'.

In addition, when the ASX considers there is or is likely to be a false market, it may ask MDI to give it information to correct or prevent the false market.

(b) ASX Listing Rule 15.7

MDI must not release the abovementioned information to any person (eg analysts, institutional investors or the media) until it has given the information to the ASX and has received an acknowledgment that the ASX has released the information to the market. See also the policy on disclosures in section 6.3.5 below.

6.2.4 Exceptions to ASX disclosure obligations

(a) Exceptions

ASX Listing Rule 3.1A says that disclosure under ASX Listing Rule 3.1 is not required where each of the following conditions is and remains satisfied:

- (i) a reasonable person would not expect the information to be disclosed; and
- (ii) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (iii) one or more of the following conditions apply:
 - (A) it would be a breach of a law to disclose the information;
 - (B) the information concerns an incomplete proposal or negotiation;
 - (C) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (D) the information is generated for the internal management purposes of MDI; or
 - (E) the information is a trade secret.

As soon as any of these elements is no longer satisfied (for example the information is leaked or inappropriately discussed and therefore is no longer confidential), MDI must immediately comply with its continuous disclosure obligations. The obligation to disclose the information arises even though two of the above three requirements are still satisfied.

6.2.5 Announcements or Disclosures

Price sensitive information must be publicly released to the ASX before disclosing it to journalists, analysts, institutional investors or others outside the MDI Group.

As soon as possible after the ASX confirms an announcement, the announcement should be posted on MDI's website on the 'Investor Information' page.

Only authorised spokespersons (the Chairman & CEO) (or their delegates nominated for that purpose), may speak on MDI's behalf. An authorised spokesperson must ensure he or she is aware of the information that has been disclosed to the ASX before making any disclosure of price sensitive information.

The Company Secretary must maintain a record of all disclosures made to the ASX.

All requests for information by analysts and institutions, made to individuals in the MDI Group must be directed to the CEO. No one in MDI is to speak to analysts and institutional investors unless the CEO is present or has given authority to do so; this is to ensure that no selective disclosure by the company occurs. Enquiries by journalists that may be of a price sensitive material nature must be discussed with the CEO or Chairman before providing information to journalists, this includes all press releases by MDI.

An authorised spokesperson may discuss information that MDI has already released publicly through the ASX, but the authorised spokesperson should avoid commenting on other price sensitive matters.

Comments by the authorised spokesperson on market analysts' financial projections should be confined to errors in factual information and underlying assumptions. Any response which may suggest that MDI's or the market's current projections are incorrect should be avoided. Any change in expectations should be released to the ASX before commenting to anyone outside MDI.

If a question by a person outside MDI can only be answered by disclosing unreleased price sensitive information, the question must not be answered or should be taken on notice. The information must be released to the ASX before responding.

Where practical the Company Secretary should be informed of the information proposed to be disclosed in advance, including information to be presented at private briefings.

If an inadvertent disclosure by an authorised spokesperson or other person occurs, the Company Secretary must be notified immediately. If the disclosed information is price sensitive it must be released to the ASX and then posted on MDI's website. If the information is not price sensitive it may nevertheless be preferable to post it on MDI's website in order that everyone has access to the same information.

6.2.6 False Market

A false market could arise through a variety of circumstances, such as guesswork of media relating to information that is not yet disclosed because the exception rule under ASX Listing Rule 3.1A applies (e.g. information concerns an incomplete proposal or negotiation). If the comment is inaccurate or only partly accurate this may result in a false market.

If ASX considers that there is or is likely to be a false market, it will tell MDI immediately and MDI must give the information that ASX asks for to correct or prevent the false market. In effect, MDI may be asked to confirm or deny matters that may be unfounded or still subject to negotiation.

MDI must disclose the information needed to correct or prevent a false market because it would, or would be likely to, influence persons who commonly invest in MDI deciding whether or not to buy, hold or sell.

6.2.7 Market Speculation and Rumours

Market speculation and rumours, whether substantiated or not, have the potential to impact MDI.

MDI's general policy on responding to market speculation and rumours is that the company does not respond to market speculation or rumours (unless formally requested by the ASX). Employees must observe this policy at all times.

However, MDI may provide a response that corrects speculation if it contains factual errors that could materially affect the company.

6.2.8 Contravention

If MDI does not notify the ASX of the information required to be disclosed by ASX Listing Rule 3.1 which is not generally available, it will have committed an offence under section 674 of the Corporations Act. Officers of MDI involved in the contravention may also have committed an offence.