



Continuous Disclosure Policy

Lithium Power International Limited
ACN 607 260 328

Adopted by the Board on
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Continuous Disclosure Policy

1. General disclosure policy and obligations

1.1 Purpose of this Policy

Lithium Power International Limited ACN 607 260 328 (the **Company**) has significant obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the listing rules of ASX Limited (**ASX**) (the **Listing Rules**) to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

The purpose of this Continuous Disclosure Policy (**Policy**) is to reinforce the Company's commitment to its continuous disclosure obligations, and to describe the processes in place that enable the Company to provide shareholders with timely disclosure in accordance with these obligations.

1.2 Commitment to disclosure and communication

The Company is committed to the objective of promoting investor confidence and the rights of investors by:

- (a) complying with the continuous disclosure obligations imposed by law;
- (b) presenting company announcements in an accurate and balanced way and expressed in a clear and objective manner;
- (c) providing investors with equal and timely access to material information concerning the Company; and
- (d) communicating effectively with investors and making it easy for them to participate in general meetings.

1.3 Compliance with disclosure requirements

The Company will act at all times with integrity and in accordance with law, including the disclosure requirements of the Listing Rules, ASX Guidance Notes, the ASX Corporate Governance Council Recommendations and the Corporations Act.

2. Overview of continuous disclosure obligations

2.1 ASX Listing Rule 3.1

Listing Rule 3.1 requires that the Company must immediately notify ASX of:

any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

This information is referred to as "**Price Sensitive Information**". Materiality must be assessed having regard to all the relevant background information, including past announcements that have been made by the Company and other generally available information. Information is likely to be material if it may affect security values or influence investment decisions, and information in which security holders, investors and ASX have a legitimate interest.

See Annexure 1 for some examples of Price Sensitive Information.

2.2 Exceptions to the continuous disclosure rule

Disclosure to the market is not required where each of the following conditions is and remains satisfied:

- (a) **one or more** of the following apply:
 - (i) it would be a breach of a law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;

- (iv) the information is generated for the internal management purposes of the Company;
or
- (v) the information is a trade secret; **and**
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
- (c) a reasonable person would not expect the information to be disclosed.

2.3 **Other disclosure obligations**

The Company has numerous other disclosure obligations under Chapters 3 and 4 of the Listing Rules. The Company Secretary is responsible for ensuring that necessary disclosures are made as and when required.

2.4 **Class action risk**

In addition to potential sanctions under the Listing Rules and Corporations Act, if the Company fails to disclose, or incorrectly discloses, Price Sensitive Information in accordance with Listing Rule 3.1, people who buy or sell the Company's securities during the period of the failure (and possibly other affected stakeholders) may be entitled to bring a class action against the Company. Even when they are not successful, class actions can be costly to defend and may have a serious negative effect on the Company's reputation and share price. A successful class action may have the potential to threaten the solvency of the Company.

2.5 **Reputational risk**

Contravention of the Company's continuous disclosure obligations may also lead to unwanted publicity for the Company and may cause damage to its reputation in the market place which may adversely impact the market value of its securities.

3. Reporting disclosable events

3.1 **Disclosure procedure**

- (a) Any Director, member of management, employee, consultant or contractor who becomes aware of information which may constitute Price Sensitive Information must immediately inform the Company Secretary of this information for assessment against the Company's continuous disclosure obligations.
- (b) Where any information is reported as referred to in paragraph 3.1(a), the Company Secretary will provide this information to the Board, which will (as appropriate):
 - (i) review the information in question and determine whether it is Price Sensitive Information that is required to be disclosed to ASX;
 - (ii) urgently seek any advice that is needed to assist the Board to interpret the information;
 - (iii) consider whether it is necessary to seek a trading halt; and
 - (iv) coordinate the actual form of disclosure with the relevant members of management and confirm the approval by all required persons of the proposed disclosure.
- (c) All announcements under Listing Rules 3.1 or 3.1B must be approved by the Board before the announcement is made or disclosure released through the Company Secretary.
- (d) All announcements to ASX will be made in accordance with section 3.1(c) and the lodgement procedure outlined in Annexure 2 to this Policy.
- (e) The Board and senior management should consider whether any matters reported to or discussed at any Board or management meetings should be disclosed to the market pursuant to the Company's continuous disclosure obligations.

3.2 **Inform ASX first**

The Company will not release any information publicly (including on an embargo basis) that is required to be disclosed through ASX until the Company has received formal confirmation of its release to the market by ASX, unless otherwise required by the Listing Rules.

4. Trading halts

If the market is or will be trading at any time after the Company becomes aware of an obligation to disclose Price Sensitive Information but is not in a position to make immediate disclosure to the market, the Board should consider whether to request a trading halt or, in exceptional circumstances, a voluntary suspension.

A trading halt may be necessary in the following circumstances:

- (a) if media comment about the Company is sufficiently specific, detailed and material to warrant an immediate response;
- (b) the Company experiences an unexplained price and/or volume change;
- (c) if a confidentiality leak has occurred (or is likely to occur) and it is having (or would have) a material effect on the market price and/or traded volumes of the Company's securities; or
- (d) if ASX forms a view that a false market exists and asks the Company to release information to correct a false market and the Company is not able to make a release immediately,

and in each such scenario:

- (e) where the market is trading, the Company is not in a position to give an announcement to ASX straight away; or
- (f) where the market is not trading, the Company will not be in a position to give an announcement to ASX before trading next resumes.

The Board is required to approve a trading halt. Where the full Board is not immediately available and urgent action is required, the Company Secretary acting together with the available Directors is authorised to approve a trading halt.

5. Public communications

5.1 External communications

The Company must not release any Price Sensitive Information publicly before it is provided to the ASX, including in the following contexts:

- (a) one-on-one briefings and speeches made to market participants, the financial community or institutional investors;
- (b) open briefing sessions, including public speeches (presentation materials for which will be disclosed to ASX prior to commencement of the briefing session);
- (c) visits to the Company's sites by members of the financial community; and
- (d) speeches or presentations at, or participation in, conferences or forums by the Company's executives.

The Company will keep records of all external communications. Where, in the process of taking or compiling records of external communications, a representative of the Company believes that Price Sensitive Information may have been disclosed inadvertently, the matter must be immediately reported to the Company Secretary for review by the Board for immediate disclosure to ASX.

In order to ensure compliance with this Policy, the Company has established a Media Relations Policy, a copy is attached as Annexure 3 to this Policy.

5.2 Authorised spokespersons

The only Company representatives authorised to speak on behalf of the Company for the purpose of external communications:

- (a) Chairperson of the Board;
- (b) Chief Executive Officer (CEO); or
- (c) their delegates nominated for a specific purpose.

5.3 **Review of public information regarding the Company**

- (a) The Board will monitor media reports and other public commentary relating to the Company, and all share price movements. As a general rule, the Company will not comment on rumours or speculation. However, if there are unusual or unexpected price movements, a reasonably specific rumour which may give rise to a false market, or other unexpected media coverage, the Board will consider the necessity for an ASX announcement or a trading halt.
- (b) The Chief Financial Officer (**CFO**) (or a delegate of the Board) will monitor the general range of analysts' forecast earnings relative to the Company's own internal forecasts and any financial forecasts previously published by the Company. Any comment by the Company to an analyst in relation to an analyst's report or financial projections should be confined to errors in factual information and underlying assumptions provided such comment of itself does not involve a breach of the Company's continuous disclosure obligations or amount to a selective briefing.

If the CFO (or a delegate of the Board) becomes aware of a divergence between the 'consensus' of the analysts' forecasts and management's own expectations, which may have a material effect on the price or value of the Company's securities, the CFO (or a delegate of the Board) will refer the matter immediately to the Board to consider the necessity for an ASX announcement or a trading halt.

6. **Avoiding a false market**

If ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company will give ASX that information, or if it is unable to do so, will request a trading halt.

ASX would consider that there is or is likely to be a false market in the Company's securities in the following circumstances:

- (a) the Company has information that has not been released to the market, for example because an exception applies;
- (b) there is a reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement by the Company to the market; and
- (c) there is evidence that the rumour or comment is having, or ASX forms a view that the rumour or comment is likely to have, an impact on the price of the Company's securities.

7. **Role of the Board**

The Board is ultimately responsible for the Company's compliance with its continuous disclosure obligations and this Policy. Its responsibilities include:

- (a) monitoring and ensuring the Company's ongoing compliance with its continuous disclosure obligations;
- (b) reviewing information which is brought to its attention to determine if there is a disclosable matter and, if so, whether any Listing Rule non-disclosure exception applies;
- (c) overseeing and coordinating disclosure of information to ASX, analysts, brokers, shareholders, the media and the public, including in respect of:
 - (i) profit upgrades or downgrades;
 - (ii) dividend policy, guidance or declarations;
 - (iii) periodic reporting of financial results;
 - (iv) disclosure documents and cleansing notices;
 - (v) material transactions (such as acquisitions, disposals, entry into material contracts or capital raisings);
 - (vi) responding to news articles regarding the Company that may relate to a proposed transaction or may have the tendency to injure the Company's reputation; and
 - (vii) material operational or regulatory developments;

- (d) preparing Company announcements in a timely manner that are not misleading, do not omit Price Sensitive Information and are presented in a clear, balanced and objective way;
- (e) considering any enquiries received from ASIC and ASX, including any “false market” response letters and price query letters;
- (f) reviewing any infringement notice or written statement of reasons issued to the Company by ASIC;
- (g) establishing and maintaining, and educating management and staff on, the Company’s disclosure policies and procedures (including ensuring officers and employees are provided with training in respect of this Policy); and
- (h) reviewing and making changes to this Policy as required.

In the event that an announcement that would ordinarily require Board approval must immediately be disclosed to the market in order for the Company to comply with its continuous disclosure obligations, all reasonable efforts must be made to have the announcement urgently considered and approved by the Board prior to release. However, if such approval cannot be obtained, the Company Secretary, acting together with any available Director, may authorise disclosure to ensure compliance with the continuous disclosure laws. The announcement must then be considered by the Board at the first possible opportunity following its release to determine what, if any, further steps need to be taken by the Company.

8. Role of the Company Secretary

The Company has nominated the Company Secretary as the person with the primary responsibility for all communication with ASX in relation to Listing Rule matters. In particular, the Company Secretary is responsible for:

- (a) liaising with ASX in relation to continuous disclosure issues;
- (b) lodging announcements with ASX in relation to continuous disclosure matters;
- (c) distributing continuous disclosure announcements to the Board and senior managers by email immediately after they have been released to ASX;
- (d) maintaining an accurate record of all announcements sent to ASX and all correspondence with ASIC in relation to the Company’s continuous disclosure obligations;
- (e) ensuring that all announcements sent to ASX, and any other relevant materials (such as presentation materials), are posted promptly on the Company’s website;
- (f) reviewing Board papers and other information referred to the Company Secretary for information or events that may give rise to disclosure obligations; and
- (g) maintaining a record of discussions and decisions made about disclosure issues by the Board.

9. Policy breaches

The Company regards its continuous disclosure obligations very seriously. Breach of this Policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

Annexure 1

EXAMPLES OF PRICE SENSITIVE INFORMATION

The Company must disclose any information that a reasonable person would expect to have a material effect on the price or value of securities issued by the Company, i.e. information which may influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

Some examples of information that may require disclosure if material include:

- (a) changes in actual financial performance or projected financial performance from the previously disclosed actual or projected information;
- (b) interim and final results, including media releases, investor presentations and investor reports accompanying the release of interim and final results;
- (c) events likely to have a material effect on financial performance – either for the current period, or over a longer term;
- (d) changes to the Board, senior executives, or Company Secretary;
- (e) takeovers, mergers, de-mergers, restructures, schemes of arrangement and all other transactions involving a transfer of control or significant change in the nature or sale of the Company's activities;
- (f) share buybacks and capital reductions concerning the Company securities;
- (g) equity capital raisings for the Company;
- (h) acquisitions, divestments, strategic alliances, joint ventures or material changes in assets;
- (i) significant developments in new projects or ventures;
- (j) any matter in respect of which Directors make a recommendation to the Company's shareholders;
- (k) material changes to capital structure or funding;
- (l) dividend policy and dividend determinations/declarations concerning the Company;
- (m) material information affecting joint venture partners or non-wholly owned subsidiaries;
- (n) media or market speculation;
- (o) analyst, broker or media reports based on incorrect or out of date information;
- (p) industry issues which have, or which may have, a material impact on the Company;
- (q) decisions on significant issues affecting the Company by regulatory bodies;
- (r) information that may have an adverse effect on the reputation of the Company;
- (s) new contracts, orders or changes in customers or suppliers that are material to the Company's business;
- (t) material changes in products or product lines;
- (u) the granting or withdrawal of a material licence;
- (v) entry into, variation or termination of a material agreement;
- (w) proposed changes in regulations or laws that could materially affect the Company's business;
- (x) major litigation (brought by or against the Company);
- (y) significant changes in the Company's tax or accounting policies;
- (z) the appointment of a liquidator, administrator or receiver;
- (aa) any rating applied by a rating agency to the Company, or securities of the Company, and any change to such a rating;
- (bb) a proposal to change the Company's auditor; and
- (cc) any other matter that the Board determines to be a significant matter affecting the Company.

Annexure 2

ASX LODGEMENT PROCEDURES

1. Purpose

The purpose of this Annexure is to outline the procedures to be followed by the Company in relation to the release of announcements to ASX in relation to the Company's continuous disclosure obligations.

2. Background

The Listing Rules require a listed entity to immediately notify ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The entity does this by way of an online lodgement to the ASX Market Announcements Office (**MAO**). The online lodgement is carried out on a secure online service that will be protected by a password referred to as the Company PIN.

There are 2 main types of announcements made to ASX:

- (a) Price Sensitive Information, including annual and half-yearly results announcements; and
- (b) general notifications required by ASX (e.g. change of director, change in director share-holdings, issue of new securities).

All price sensitive announcements are to remain confidential until release with MAO.

Any information provided to MAO will be immediately released by MAO to the market. As such, it is extremely important that appropriate controls are placed over the ASX lodgement process to ensure:

- (c) only authorised personnel are able to lodge announcements with MAO; and
- (d) all documents lodged with MAO are the final versions approved by the Board.

3. ASX lodgement procedure

The procedure to be followed in relation to the lodgement of announcements with ASX is as follows:

- (a) The Board must approve all announcements, including half-year and full-year financial results, notices of meeting, disclosure documents and cleansing notices.
- (b) Any ASX release drafted by anyone other than the Company Secretary will be sent by email to the Company Secretary. The email should also provide confirmation that the release is the approved final version.
- (c) The Company Secretary will review all announcements before confirming their release to ASX and ensure that the headings of all announcements accurately convey their contents and the description of the announcement on the MAO is accurate.
- (d) Announcements must have a left-hand margin of at least 2.5 cm to accommodate ASX's 'For Personal Use Only' watermark.
- (e) Once the ASX release has been approved and the timing for release has been confirmed, the Company Secretary will release the announcement online to ASX at the relevant time using the secure Company PIN.
- (f) Confirmation of the ASX release will then be received via e-mail by the Company Secretary.
- (g) The Company Secretary will advise the appropriate Company management of the release via e-mail and a copy of the release will also be promptly provided to all Directors via email.
- (h) The email confirmation and fax confirmation should be filed together with a hard copy of the announcement in the Company's ASX release file.
- (i) All announcements to ASX should be placed promptly on the Company's website following receipt of acknowledgement from ASX that it has released the information to the market.
- (j) If any Price Sensitive Information disclosed to ASX becomes incorrect, the Company must release an announcement correcting or updating the information.

Annexure 3

MEDIA RELATIONS POLICY

1. Statements and comments to the media

All media releases made anywhere in the world, must first be provided to the Board for clearance and possible lodgement with ASX prior to that information being made publicly available in any other way. This is done through the Company Secretary.

2. Issuing a media release or other written statement

Media releases on Company policy, acquisitions, matters which could affect the Company's share price or which relate to other sensitive matters (such as the Company's performance, Government policy, economic or political issues) may only be made on the authority of the CEO or Chairperson of the Board.

Other Directors and senior executives, with the guidance of the Company Secretary, may issue statements on matters pertaining solely to their area of business responsibility that relate to industry matters, new services and product releases, but not on strategic direction or the Company's performance, and only with prior discussion and approval by the CEO (in the first instance), or otherwise the Chairperson of the Board.

Copies of all proposed statements must be passed to the Company Secretary prior to release for clearance and possible lodgement with ASX.

Questions from the Company's website and any media requests received via the website should be forwarded to the Company Secretary for a response.

3. Verbal comment

The continuous disclosure requirements of Listing Rule 3.1 should be kept in mind at all times when making public comment. This means that, as a general rule, no information should be released which is not already in the public domain.

Verbal comment to the media (such as a telephone interview or a face-to-face interview) on Company policy, acquisitions, matters which could affect the Company's share price or which relate to other sensitive matters (such as the Company's performance, Government policy, economic or political issues) may only be made by the CEO or Chairperson of the Board or their specifically nominated delegates.

Other Directors and senior executives, with the guidance of the Company Secretary, are able to make comment to the media on matters pertaining solely to their area of business and only with prior discussion and approval by the CEO (in the first instance), or otherwise the Chairperson of the Board. Comment must not be made on strategic direction or other matters that could affect that Company's share price.

In special circumstances the CEO may nominate other senior executives to make comment to the media on specific issues. Any variations to the above must be approved in advance by the CEO.

4. Responding to media inquiries

Enquiries from journalists, or requests for information, must be treated as detailed in section 2 of this Annexure.

If any Director, employee or executive is approached for information by a representative of the media, the Director, employee or executive should obtain the person's name, the organisation they represent, their location and phone number, as well as an outline of the information required, without responding to the questions/issues raised. The enquirer should be advised that arrangements will be made for someone to make contact with them. The matter should then be passed on to the CEO and Chairperson of the Board immediately.

On no account should an unauthorised person make a comment or respond to any media enquiries.

5. Interview/briefing black-outs

To prevent inadvertent disclosure of material information, during the periods between the end of the financial reporting period and the actual release of results, directors, executives, employees, contractors and consultants must not discuss with any external party any financial information or any other information concerning forecasts or financial estimates, unless that information has previously been disclosed to the ASX.

6. Speculation and rumours

Generally, the Company will not respond to market speculation or rumours unless a response is required by law or ASX.

7. Emergencies

In emergency situations, where the media are seeking immediate comment, the procedures detailed in section 4 apply.

Directors, employees and managers should not make comment and instead, contact the CEO, Chairperson of the Board or a Director approved by the Board who will handle media inquiries.

8. Summary

The reputation of the Company is at risk on every occasion that a public statement is made. When making public statements, the Company must be consistent and accurate. It is better to err on the side of caution and say nothing rather than risk embarrassment or legal action.

In all cases where approval is granted to talk to the media, particular attention must be paid to relevant laws, including Competition and Consumer Protection Laws, Environment and Health and Safety Legislation, and the requirements of the Listing Rules.