

DAVID JONES LIMITED ABN 75 000 074 573

# CONTINUOUS DISCLOSURE POLICY

SUMMARY OF REVIEW AND ADOPTION OF POLICY

---

ADOPTED BY THE BOARD ON 25 NOVEMBER 2003

---

REVIEWED AND ADOPTED BY THE BOARD OF 28 JULY 2005

---

---

# CONTINUOUS DISCLOSURE POLICY

---

## I. DAVID JONES' OBLIGATIONS TO DISCLOSE INFORMATION

- I.1** David Jones Limited ("the Company") is listed on the Australian Stock Exchange (ASX).
- I.2** As a listed company, the Company is subject to the general principle that information which may affect the price or value of its securities or influence decisions taken by investors to buy or sell its securities must be disclosed publicly in a timely manner.
- I.3** The ASX Listing Rules and the Corporations Law prescribes a regime under which a listed company must immediately notify the ASX of price sensitive information, which is:

*"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".*

## 2. PURPOSE OF THIS POLICY

- 2.1** The key issue that is addressed by this policy is that there is an obligation on the Company to disclose certain information. If failure to disclose information that should have been disclosed is an intentional or reckless omission then the contravention is a criminal offence, potentially by the individuals involved as well as the Company.
- 2.2** The Board and senior management of the Company are committed to the provision of full and accurate disclosure.
- 2.3** This Disclosure Policy is intended to:
- (a) assist the Company to fulfil its reporting obligations for continuous disclosure (ASX Listing Rule 3.1);

---

## CONTINUOUS DISCLOSURE POLICY

---

### 2. PURPOSE OF THIS POLICY (CONT'D)

- (b) enable the Company to provide investors with information in the manner expected of listed companies to enable investors to make an informed assessment of the value of the Company's shares;
- (c) enable the Company to balance, in a disciplined way and consistent with its legal obligations, the information needs of investors, with the Company's needs to achieve business goals and protect confidential or commercially sensitive information;
- (d) define the parameters of both formal and informal disclosure such that the Company manages investor expectations and minimises the potential for positive or negative surprises.

2.4 Additionally the policy aims to enhance the Company's credibility amongst investors by applying a disciplined approach to disclosure such that it maintains consistent disclosure levels "in good times and bad" and ensures information for investors is easy to understand and accurate at all times.

2.5 The purpose of this policy is to establish a procedure within the Company, which facilitates and enhances compliance with the continuous disclosure requirement.

2.6 Public relations disclosures (e.g. about fashion, stores or other events) are excluded from this policy because they are part of everyday business promotional activity and are managed so those aware of any significant issues escalate those issues in accordance with policy to the Group General Manager – Apparel, Accessories & Footwear, Group General Manager – Marketing and Operations, Group General Manager – Home & Food, and Group General Manager – Stores & Visual Merchandising.

---

## CONTINUOUS DISCLOSURE POLICY

---

### **3. ISSUES IN RELATION TO DECIDING ON DISCLOSURE**

- 3.1** The continuous disclosure regime involves a high degree of judgment on the part of the Company to determine what has to be disclosed to the market and when disclosure must be made. While there are exceptions under the continuous disclosure regime which recognise that the Company is not required to disclose to the market certain price sensitive information, judgement will often be required to determine whether those exceptions apply in particular circumstances.
- 3.2** In general, it is proposed that a rigorous approach be taken and that the Company be consistent in terms of the nature of its disclosures. To enable this to be achieved in a manner consistent with the Company's legitimate commercial interests, it is important that all decisions on the nature and timing of disclosure to the market are made in a controlled fashion in accordance with this policy or as the Board may otherwise determine.
- 3.3** The procedures outlined in this policy must be followed to so that the Chairman, Chief Executive, Finance Director and other members of the Board (as appropriate), the General Manager Investor Relations & Corporate Affairs, the Company Secretary and General Counsel can be provided with sufficient information in a timely fashion to enable them to make the decisions as to whether disclosure is required and, if so, the nature and timing of that disclosure.
- 3.4** All individuals reporting directly to the Chief Executive and individuals reporting directly to them are to be made aware in writing of the detail of this policy and the importance of compliance.
- 3.5** All individuals referred to in 3.4 are to make their immediate subordinates aware of the requirements of this policy and the need for them to ensure management is aware of any information which may need to be disclosed to the market through the ASX.

---

## CONTINUOUS DISCLOSURE POLICY

---

### 4. WHAT NEEDS TO BE DISCLOSED

#### 4.1 ASX Listing Rule 3.1 provides:

*“Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information. This rule does not apply to particular information while each of the following applies:*

- (a) a reasonable person would not expect the information to be disclosed.
- (b) the information is confidential.
- (c) one or more of the following conditions applies.
  - (i) it would be a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for the internal management purposes of the entity;
  - (v) the information is a trade secret.

#### 4.2 Examples of matters that may require disclosure are:

- (a) disposal or purchase of a major asset;
- (b) major industrial disputes or other major personnel disruptions;
- (c) The Company’s profit forecast changes, such that it is materially different from that previously stated to the market;
- (d) significant changes in business outlook or major disruption to business operations;
- (e) major product launches/disruptions to product;
- (f) substantial litigation commenced or threatened;
- (g) entering into major contracts;
- (h) significant breaches of legislation, particularly trade practices, occupational health and safety or environmental.

---

## CONTINUOUS DISCLOSURE POLICY

---

### 4. WHAT NEEDS TO BE DISCLOSED (CONT'D)

- 4.3 In some circumstances the ASX Listing Rules may also require the Company to clarify misinformation in the market place.
- 4.4 The Board has the ultimate responsibility to ensure that the Company complies with its disclosure obligations under the ASX Listing Rules. It has delegated the day to day management of that responsibility to the Joint Disclosure Managers.
- 4.5 The Joint Disclosure Managers for the Company are the CEO, Finance Director and General Manager Investor Relations, in consultation with the General Counsel and with reference to the Company Secretary on administrative matters.
- 4.6 Any of the Joint Disclosure Managers are to be advised immediately of any matter which might trigger a disclosure obligation and which has not been escalated to the management committee through the usual reporting and management processes.
- 4.7 Material information will be disclosed in the manner required under the Corporations Law and ASX Listing Rules and by broad dissemination so that as many investors as possible will have access to the information. This means the Company will make a formal announcement to the Australian Stock Exchange and then release the information to news services and major media outlets immediately after the ASX has acknowledged receipt.
- 4.8 The Company Secretary must keep a record of all information disclosed to the ASX, and ensure all releases are placed promptly on the website.

---

## CONTINUOUS DISCLOSURE POLICY

---

### 5. SELECTIVE AND DIFFERENTIAL DISCLOSURE

- 5.1 The Company will not practice selective or differential disclosure. That is, the Company will not disclose information to selected individuals or groups (e.g. analysts or journalists) or in selected situations (e.g. analyst briefings), information which it would not be prepared to make available for general use at the same time.
- 5.2 The Company will not disclose information orally which it would not be prepared to disclose by formal release to the ASX.
- 5.3 The Company will respond to legitimate requests for information in the same manner, irrespective of whether the request comes from a small investor, a large investor, an analyst or the media. All requests for information from any investor or analyst should be directed to the General Manager Investor Relations.

### 6. ANALYSTS AND INSTITUTIONAL INVESTORS

- 6.1 Meetings with analysts and fund managers are largely limited to the CEO, Finance Director and GM Investor Relations & Corporate Affairs. At least two representatives from the Company attend these meetings and notes are taken re the content of the discussions. The notes are subsequently reviewed and kept on file.
- 6.2 Blackout periods of 4 weeks exist prior to both the half year and full year results and 10 days prior to the release of quarterly sales results. During this period, meetings are held only in exceptional circumstances with analysts, fund managers or brokers and information is strictly limited to discussion of previously released material. In particular, if the Company agrees to hold any meeting with an overseas investor, analyst or fund manager who is unable to meet with the Company other than during the blackout period (“**Overseas Analyst**”), the following rules are applied:

---

## CONTINUOUS DISCLOSURE POLICY

---

### **6. ANALYSTS AND INSTITUTIONAL INVESTORS (CONT'D)**

**6.2.1** at the time that the meeting is set up, the Overseas Analyst is advised of the blackout period, and the fact that any information provided will be confined to matters that are in the public domain and which relate to the strategy of the Company, but will exclude any price sensitive or sales or other results related information; and

**6.2.2** at the time of the actual meeting, the Overseas Analyst will be reminded of the matters stated in clause 6.2.1.

**6.3** The Company acts to ensure that only public information is used when answering analysts' questions or reviewing draft reports.

### **7. REVIEW OF DRAFT ANALYST REPORTS AND EARNINGS ESTIMATES**

**7.1** Any requests for the Company to review an analysts' financial model or draft research report should be directed to the Company's Finance Director. When reviewing analysts' financial models or draft research report, the Company will review for factual content but will not, in doing this disclose to the analyst any information which has not previously been disclosed to the market.

**7.2** When reviewing an analyst's conclusions, either general or financial, the company may question assumptions that lead the analyst to draw conclusions but not the conclusions themselves.

**7.3** The Company will make it clear to analysts that the Company's comments on factual information or assumptions in their reports, and equally the Company's decision to withhold comments, do not constitute an explicit, implicit or tacit endorsement by the company of the report in total or its conclusions.

---

## CONTINUOUS DISCLOSURE POLICY

---

### **7. REVIEW OF DRAFT ANALYST REPORTS AND EARNINGS ESTIMATES (CONT'D)**

- 7.4 The Company must not comment on the current range of market estimates for the current year profit performance except with the prior approval of the Chairman, the Chief Executive, the Finance Director or as otherwise authorised by the Board.

### **8. ONE-ON-ONE MEETINGS**

- 8.1 Only people authorised by the Board, the Chairman, the Chief Executive or Finance Director may hold one-on-one meetings with journalists or analysts. (This does not apply to everyday public relations matters as noted above.)
- 8.2 In any one-on-one meetings (whether with journalists, analysts or otherwise), the Company will only discuss information that is in the public domain or information which may not be in the public domain but which is not price sensitive i.e. where subsequent formal disclosure is not required.

### **9. RESPONDING TO MARKET RUMOURS**

- 9.1 Any request to clarify or comment on a market rumour must be referred to the Joint Disclosure Managers.
- 9.2 As a general policy, the Company will not comment on market rumours or speculation unless specifically required to comply with its obligations under the ASX Listing Rules. (see paragraph 4.3 above)

---

## CONTINUOUS DISCLOSURE POLICY

---

### 10. DUTY TO CORRECT/UPDATE INFORMATION

- 10.1 If the Company discovers that a statement it has made is materially incorrect, or subsequent information renders it incorrect, the company will issue an announcement via the ASX to correct the statement.
- 10.2 The Company will maintain the accuracy of information that is generally made available to the market. This includes forward-looking statements. Accuracy will be maintained on a regular cycle consistent with the regularity with which the information is distributed e.g. annually, half yearly, quarterly.

### 11. MEDIA

- 11.1 Any media enquiries should be referred to the General Manager Investor Relations & Corporate Affairs (excluding usual business public relations matters, which go to the public relations area in marketing).
- 11.2 All guidelines in this policy related to communication with analysts also apply to communication with media on any matter which is not part of usual trading or which may have a material effect on the share price.

### 12. UPDATING THE POLICY

- 12.1 This policy will be reviewed regularly and revised if circumstances warrant or more often as required by changes to ASX Listing Rules or other legally binding disclosure requirements.