

1. Introduction

JB Hi-Fi Limited ("JB Hi-Fi") is committed to:

- complying with the continuous disclosure obligations contained in the Listing Rules of the Australian Stock Exchange and under the Corporations Act; and
- ensuring that all shareholders and the market have an equal opportunity to obtain and review full and timely information about JB Hi-Fi's securities.

This policy statement has been developed and adopted by the Board of JB Hi-Fi to provide a practical guide on the relevant continuous disclosure obligations and to assist JB Hi-Fi and its employees in meeting the above objectives.

The policy statement should be read in conjunction with the "Guidance Note on Continuous Disclosure for JB Hi-Fi Limited". That Guidance Note outlines the legal responsibilities and obligations of JB Hi-Fi in relation to continuous disclosure.

2. Summary

Information should be disclosed to the ASX if:

- it is likely that the information would influence investors in deciding whether or not to trade JB Hi-Fi securities; and
- no disclosure exception is applicable.

3. Guiding Principle

JB Hi-Fi must immediately notify the Australian Stock Exchange (ASX) of any information concerning JB Hi-Fi that a reasonable person would expect would have a material effect on the value or price of JB Hi-Fi securities.

Information will have a "material effect" where it is likely that the information would influence investors in deciding whether or not to buy or sell JB Hi-Fi securities.

4. Exception to Guiding Principle

Disclosure is **not** required where:

- the information is confidential and ASX has not formed the view that the information has ceased to be confidential; **and**
- a reasonable person would not expect the information to be disclosed; **and**
- one or more of certain conditions contained in the ASX Listing Rules are satisfied.

All three requirements must be met.

5. What is 'material' Information

Material information is information which a reasonable person would expect to, or to be likely to, influence persons who commonly invest in such securities in deciding whether or not to subscribe for, or buy or sell, those securities.

6. Communications Manager

The Chief Executive Officer (CEO) will control all JB Hi-Fi's communications. The Company Secretary will assist the CEO in his responsibilities. The Company Secretary is responsible for administering this policy and is responsible for dealing with the ASX in relation to all Listing Rule issues.

The CEO must:

- authorise all market communications;
- where possible, be present during meetings with investors and analysts;
- review all market communications (including press releases, public documents and fact books or other corporate publications including employee newsletters) to ensure that they do not cause any unintended breaches of the Listing Rules;
- monitor disclosure practices of JB Hi-Fi; and
- update periodically this policy and JB Hi-Fi's practices and responses to changes in internal structure, legislative and regulatory developments and technology developments.

Once a disclosure has been approved, the CEO and Chairman are the only representatives of the Company approved to authorise release by JB Hi-Fi of material information to the ASX.

Given that disclosure issues often need to be resolved quickly so that notification of the market can be made in a timely manner, JB Hi-Fi believes that a formal disclosure committee may create unnecessary bureaucracy in meeting its continuous disclosure obligations.

Therefore, each member of the senior executive team must raise any issues they believe to be material with the CEO, or in his absence the Company Secretary or Chairman, who will liaise with the CEO.

7. Reporting Information to the Communications Officer

Employees must inform the CEO of any matters where it is possible that:

- the matter involves non-public information which is likely to influence investors in deciding whether or not to buy or sell JB Hi-Fi securities;
- the matter would be of sufficient interest for a journalist to wish to write an article on it; or
- either the materiality test or the numerical assessment has been triggered.

8. Authorised Spokespersons

In order to minimise the risk of inconsistent communications and reduce the risk of inadvertent material disclosures, only a limited number of executives are authorised to comment publicly on JB Hi-Fi's operations ("authorised spokespersons").

JB Hi-Fi's authorised spokespersons are the Chairman and CEO.

Authorised spokespersons should ensure all proposed public comments are within the bounds of information that is already within the public domain and not material.

Generally, employees who are not authorised spokespersons should not comment publicly on the operations of JB Hi-Fi (see point 9 "Employee Confidentiality" below).

9. Employee Confidentiality

Employees must not disclose information which is potentially the subject of this policy to any person outside JB Hi-Fi, eg to analysts or journalists. This is because if market-sensitive information becomes known to anyone outside JB Hi-Fi (and its professional advisers) it must be immediately released to the market. Note that this includes information which is released to the media on an embargoed basis, as the ASX does *not* recognise embargoes.

In performing their duties, directors and employees are required to take all necessary precautions to preserve the safety of JB Hi-Fi's confidential information. Examples of precautionary conduct includes:

- not discussing confidential projects in public places;
- restricting access to confidential documents to employees and advisers on a need-to-know basis;
- appropriately securing confidential documentation in the office when the information is not being used;
- password protection for confidential electronic communications;
- using code words for sensitive projects; and
- properly disposing of confidential information.

10. Contact with the Media

JB Hi-Fi employees should neither contact nor speak with the media unless expressly authorised to do so by the CEO or Chairman. If contacted by a member of the media for comment on any issue relating to JB Hi-Fi immediately refer the call to the CEO, Executive Director or the Company Secretary. Any interviews, journalists or site visits by journalists to JB Hi-Fi's operations should be organised through the CEO to ensure that all information provided is in accordance with the Corporations Act and the ASX Listing Rules.

11. Managing Market Speculation and Rumours

Market speculation and rumours, whether substantiated or not, have a potential to affect JB Hi-Fi and may result in the ASX formally requesting disclosure by JB Hi-Fi on the matter. Speculation may also contain factual errors that could materially affect the company.

Unauthorised disclosure of company information (leaks) may force JB Hi-Fi to formally disclose commercially sensitive information.

12. No Comment Policy

JB Hi-Fi's general policy on responding to market speculation and rumours is that "the company does not respond to market rumours". This general policy must be observed by employees at all times.

Market speculation and rumours should be immediately referred to the CEO for consideration by an authorised spokesperson.

JB Hi-Fi may issue a statement in relation to market speculation where:

- JB Hi-Fi is required to respond to a formal request from the ASX for information; or
- JB Hi-Fi considers it has an obligation to make a statement to the market about a particular matter.

In these circumstances, decisions about disclosure will be made by an authorised spokesperson.

13. Dissemination of Disclosable Information

The following procedures will apply to all information disclosed in compliance with this policy:

- the ASX will be notified of all company announcements; and
- all ASX releases will be promptly placed on JB Hi-Fi's website following receipt of confirmation from the ASX.

14. Timing

JB Hi-Fi must not release information to the public that it has disclosed to the ASX until it has received formal acknowledgment of its receipt from the ASX.

15. Trading Halts

In some circumstances it may be necessary to request a trading halt from the ASX to ensure that efficient trading in JB Hi-Fi's securities is maintained and to manage disclosure issues.

JB Hi-Fi's CEO, Chairman or Company Secretary will make all decisions in relation to trading halts. No employee of JB Hi-Fi is authorised to seek a trading halt except with the approval of the CEO or Chairman.

16. One-on-one analyst investor meetings

Information which is material must not be disclosed in any discussion or meeting with an investor or analyst.

One-on-one discussions and meetings with investors and stockbroking analysts are an important part of a pro-active investor program. However, these meetings and discussions should be considered only as opportunities to provide background to previously disclosed information. All such discussions and meetings should be co-ordinated through the CEO to ensure that any information which is to be communicated during the discussion or meeting is readily available to the public.

17. Penalties

Failure to comply with the continuous disclosure obligations is a civil penalty provision under the Corporations Act with a pecuniary penalty of up to \$220,000.

In addition, a breach of the continuous disclosure obligations is a criminal offence if it can be shown that there was an intentional breach of the continuous disclosure rules. The penalties for a criminal breach of the continuous disclosure rules are a penalty of up to \$1,100,000.

Similarly, directors, officers and advisers may be criminally liable under the Corporations Act and/or Criminal Code if they aid or abet or are in any way knowingly concerned in JB Hi-Fi's contravention.

The court also has power under the Corporations Act to order compliance with the Listing Rules on the application of the ASX, the ASIC or an aggrieved person (for example, a JB Hi-Fi shareholder).

Contravention of continuous disclosure obligations, in addition to unwarranted publicity, may also lead to suspension of trading in, or de-listing of, JB Hi-Fi's shares.

18. Further information

If you are uncertain about the application of this policy in any situation, you should raise the matter with either the Managing Director, Chief Financial Officer or Company Secretary.