



ASX

AUSTRALIAN SECURITIES EXCHANGE

MEDIA RELEASE

30 June 2010

Changes to Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council (Council) has released final changes to the *Corporate Governance Principles and Recommendations* (Principles and Recommendations) about diversity, remuneration, trading policies and briefings.

1. Gender diversity - the Principles and Recommendations will include a recommendation that entities listed on the Australian Securities Exchange (ASX) disclose in their annual report:

- Their achievement against gender objectives set by their board; and
- The proportion of women on the board, in senior management and employed throughout the whole organisation.

The guidance commentary will also be changed to recommend that boards:

- Determine the appropriate committee for recommending strategies to address board diversity, considering diversity in succession planning, and having a charter that regularly reviews the proportion of women at all levels in the company;
- Disclose the mix of skills and diversity they are looking for in their membership; and
- Ensure that there is an accurate and not misleading impression of the relative participation of women and men in the workplace.

2. Remuneration - the Principles and Recommendations will include a recommendation that ASX-listed entities establish a remuneration committee comprised of a majority of independent directors, chaired by an independent director, and with at least three members. At present, the composition of a remuneration committee is reflected in guidance (rather than as a recommendation) with no obligation to disclose departures from this standard.

Commentary will also be amended to indicate that the remuneration committee should have responsibility for reviewing and providing recommendations to the board on remuneration by gender.

3. Trading policies - the Principles and Recommendations will be changed to reflect the introduction of ASX listing rules requiring entities to adopt and disclose a company trading policy. The new listing rule requirements will commence on 1 January 2011. The recommendations and associated commentary concerning company trading policies will be removed to avoid any overlap or duplication.

4. Briefings – the Principles and Recommendations will include new guidance for listed entities about the notification, accessibility and record keeping of group briefings, which will strengthen the principle of respecting the rights of shareholders.

The changes take effect for the first financial year of listed entities beginning on or after 1 January 2011. Council encourages an early transition to the changes from 1 July 2010.

Companies will be required to either adopt the new recommendations or explain in their annual report why they have not done so ("if not, why not?"). Council believes this approach allows boards to develop policies and objectives appropriate for their individual circumstances, while also providing a mechanism for increased market transparency and accountability.

The changes to the Principles and Recommendations have been finalised following public consultation, which included reviewing submissions received from 23 entities in response to an exposure draft released in April 2010.

The final amendments to the Principles and Recommendations, Council's response to submissions and a comparative table of changes to the Principles and Recommendations can be found here: http://www.asx.com.au/about/corporate_governance/index.htm

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