



ASX

AUSTRALIAN SECURITIES EXCHANGE

MEDIA RELEASE

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Proposed changes to Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council (Council) has today released for public comment proposed changes to the *Corporate Governance Principles and Recommendations* (Principles and Recommendations) in relation to diversity, remuneration, trading policies and analyst briefings.

1. Gender diversity - the Principles and Recommendations will be amended to 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.

Changes are also proposed to the guidance commentary:

- Highlighting the responsibility of nomination committees 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; and
- Requiring boards to consider diversity objectives in their performance review, and disclose the mix of skills and diversity they are looking for in their membership.

2. Remuneration - the Principles and Recommendations will be amended to 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.

3. Trading policies - the Principles and Recommendations will be amended to reflect ASX's introduction of listing rules requiring entities to adopt and disclose a company trading policy. Council will be removing the recommendations and associated commentary concerning company trading policies from the Principles and Recommendations to avoid any overlap or duplication.

4. Analyst briefings – new guidance for listed entities is proposed for the notification, accessibility and record keeping of group analyst briefings that will strengthen the principle of respecting the rights of shareholders.

Council believes the proposed changes to the Principles and Recommendations - with companies required to either adopt the recommendations or explain in their annual report why they have not done so ("if not, why not?") - will allow boards to develop policies and objectives appropriate for their individual circumstances, while also providing a mechanism for increased market transparency and accountability.

Public submissions on the proposed changes are invited by 31 May 2010. Final changes to the Principles and Recommendations are expected to be released on 30 June 2010, with a start date for the first financial year of listed entities beginning on or after 1 January 2011. Council encourages an early transition to the proposed changes.

The Exposure Draft of proposed changes can be found here: http://www.asx.com.au/about/whats_new.htm#principles

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