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Proposed changes to ASX Listing Rules and ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

Chorus welcomes the opportunity to comment on ASX's proposed changes to its Listing Rules and the ASX Corporate Governance Council's proposed third edition of the Corporate Governance Principles and Recommendations (**Principles and Recommendations**) as set out in the consultation documentation dated 16 August 2013.

Listing Rules

Listing Rule 3.16.4

As a New Zealand incorporated company, Chorus insures and indemnifies its directors pursuant to the provisions of the New Zealand Companies Act 1993.

Under the amended rule we, and other entities incorporated outside Australia, could be required to disclose matters Australian incorporated entities are not required to disclose.

Given the subject matter of the amendments, this appears to be unintended.

Accordingly, we suggest that the amended bullet points in Listing Rule 3.16.4 be further amended along the lines of the following:

- "provisions requiring the entity to indemnify officers or exempt them from liability that conform with section 199A of the Corporations Act or, if the entity is not established in Australia, the laws applicable in the jurisdiction in which the entity is established;
- provisions requiring the entity to maintain directors and officers liability insurance that conform with section 199B of the Corporations Act or, if the entity is not established in Australia, the laws applicable in the jurisdiction in which the entity is established;".

The Principles and Recommendations

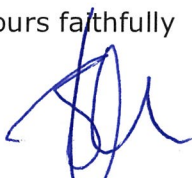
Recommendation 1.2(b)

Recommendation 1.2(b), that a listed entity provide security holders with *all* material information relevant to the election/re-election of a director, is broad and appears wider than the commentary to that recommendation suggests is intended.

While it may be appropriate for a listed entity to undertake the types of checks noted in the commentary to the recommendation, our concern with the current drafting of recommendation 1.2(b) is that it is unclear the extent to which a listed entity must go to gather information about a director standing for re-election or candidate standing for election – particularly the later where the candidate has been nominated by a shareholder outside the usual nomination process.

Our preference, therefore, is for a closer link to be established between recommendation 1.2(b) and the commentary to that recommendation and/or for a “reasonableness” test to be introduced in respect of that recommendation.

Yours faithfully



Mike Birchler
Senior Corporate Counsel