

# PROPOSED GOVERNANCE-RELATED AMENDMENTS TO THE ASX LISTING RULES

## Chapter 1

### Listing Rule 1.1 Condition 13

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#### *Condition 13*

The entity must provide a statement disclosing the extent to which the entity will follow, as at the date of its admission to the official list, the recommendations set by the +ASX Corporate Governance Council. If the entity does not intend to follow all the recommendations on its admission to the official list, the entity must separately identify ~~the~~ each recommendations that will not be followed and give state its reasons for not following the ~~re~~ recommendation and what (if any) alternative governance practices it intends to adopt in lieu of the recommendation.

An entity which will be included in the +S & P All Ordinaries Index on admission to the +official list must have an audit committee. If the entity will be included in the +S & P / ASX 300 Index on admission to the +official list it must also comply with the ~~best practice~~ recommendations set by the +ASX Corporate Governance Council in relation to composition, operation and responsibility of the audit committee.

Introduced 01/01/03 Origin: Listing rule 4.10.2 Amended 03/05/04, 11/01/10, 1/7/14.

Note: If the entity is a trust, its audit committee may also be the responsible entity's audit committee.

Cross reference: Listing rules 4.10.3 and 12.7

**Purpose of Amendment:** Condition 13 of Listing Rule 1.1 is proposed to be amended to make it clearer what an applicant for listing must disclose if it does not intend to follow a recommendation of the ASX Corporate Governance Council after it is listed. The changes are consistent with the proposed changes to Listing Rule 4.10.3 referred to below.

These changes are proposed to come into effect on and from 1 July 2014, the same date as the third edition of the ASX Corporate Governance Council's Principles and Recommendations is proposed to take effect.

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## Chapter 3

### Listing Rule 3.16

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#### Chairperson, directors, responsible entity, auditors etc

3.16 An entity must immediately tell ASX the following information.

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3.16.4 The material terms of any employment, service or consultancy agreement it or a related entity enters into with:

- its chief executive officer (or equivalent);
- any of its directors; or
- any other person or entity who is a related party of its chief executive officer or any of its directors,

and of any material variation to such an agreement.

Note: The entity may satisfy this obligation by giving a copy of the agreement or variation to ASX or an announcement summarising its material terms.

An entity, however, is not required to disclose under this rule:

- non-executive director fees paid out of a pool of remuneration approved by security holders;
- superannuation contributions in relation to such fees;
- an increase in director fees approved by security holders;
- periodic remuneration reviews in accordance with the terms of an employment, service or consultancy agreement;
- provisions entitling a chief executive officer or director to reimbursement of reasonable out of pocket expenses;
- [provisions requiring the entity to indemnify officers or exempt them from liability that conform with section 199A of the Corporations Act;](#)
- provisions requiring the entity to maintain directors and officers liability insurance [that conform with section 199B of the Corporations Act;](#)
- provisions (commonly referred to as “access arrangements”) allowing a chief executive officer or director access to entity records for a period of time after they cease to be a chief executive officer or director;

- a bona fide employment, service or consultancy agreement, or any bona fide variation to such an agreement, that it or a related entity has entered into with a relative of its chief executive officer, or a relative of any of its directors, that is on arms' length and ordinary commercial terms; or
- if it is a trust, any agreement or variation entered into by the responsible entity of the trust or a related entity where the costs associated with the agreement are borne by the responsible entity or the related entity from out of its own funds rather than from out of the trust.

Introduced 1/5/2013. [Amended 1/1/14.](#)

**Purpose of Amendment:** Listing Rule 3.16.4 requires an entity to notify ASX of the material terms of any employment, service or consultancy agreement it or a related entity enters into with its CEO (or equivalent), a director or any other person or entity who is a related party of the CEO or a director, and also of any material variation to such an agreement. The qualification to the rule makes it clear that it does require disclosure of various standard terms in the service agreements of CEOs and directors.

The proposed amendment qualifies the exclusion related to directors and officers insurance to require the insurance arrangements to conform with section 199B of the Corporations Act

It also adds a further exclusion for provisions requiring the entity to indemnify officers or exempt them from liability that conform with section 199A of the Corporations Act. These forms of provisions are generally standard in CEO and director service agreements and not the type of contractual arrangements to which Listing Rule 3.16.4 was addressed.

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## New Listing Rule 3.19B

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### On-market purchases by or on behalf of employees or directors

3.19B If an entity, a child entity, or anyone else to whom the entity or a child entity has directly or indirectly provided funds for that purpose, purchases +securities on-market under the terms of a scheme that provides for the purchase of +securities by or on behalf of employees or directors, the entity must give ASX the following information no more than 5 business days after the purchase:

3.19B.1 The total number of +securities purchased.

3.19B.2 The average price per +security at which the +securities were purchased.

3.19B.3 If all or any of the +securities were purchased on behalf of a director or a related party of a director:

- the name of the director;
- if they were purchased on behalf of a related party of a director, the name of the related party;
- the number of +securities purchased on behalf of the director or related party; and
- the average price per +security at which the +securities were purchased on behalf of the director or related party.

Introduced 1/1/2014.

Cross reference: listing rule 10.14.

**Purpose of Amendment:** Under Listing Rule 10.14, a listed entity is precluded from allowing any of its directors or their related parties to acquire securities under an employee incentive scheme without the acquisition being approved by the holders of its ordinary securities. That rule, however, does not apply to securities purchased on-market under the terms of a scheme that provides for the purchase of securities by or on behalf of employees or directors. Such purchases are excluded because they usually are related to the remuneration arrangements for employees and directors, which are matters regulated by legislation (in the case of Australian companies, the Corporations Act and the Income Tax Assessment Act) and accounting standards rather than the Listing Rules, and because they do not dilute the economic interest of existing security holders.

Concerns have been raised with ASX about the operation of this exception, particularly insofar as it allows an entity to acquire shares on behalf of directors or their related parties without the approval of the holders of ordinary securities and without disclosing the acquisitions to the market. ASX does not necessarily agree with the concerns regarding the need for these acquisitions to be approved by security holders but does believe that it would be appropriate for a listed entity to disclose to the market any such purchases that it may make from time to time.

This amendment will require any on-market purchases under the terms of a scheme that provides for the purchase of securities by or on behalf of employees or directors or their related parties to be disclosed to the market within 5 business days. This timing is consistent with the timing requirement for the disclosure of changes in a director’s “notifiable interests” under Listing Rule 3.19A and Appendix 3Y and 3Z.

The new rule is proposed to come into effect on and from 1 January 2014.

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## Chapter 4

### Listing Rule 4.7

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#### Entity to give ASX annual report

4.7 An entity must give ASX a copy of the following documents.

4.7.1 If the entity is established in Australia, a copy of the +annual report and any concise report provided to +security holders under section 314 of the Corporations Act. This must be given to ASX by the earlier of:

- The first day the entity sends the documents to +security holders under section 315 of the Corporations Act.
- The last day for the documents to be given to +security holders under section 315 of the Corporations Act.

4.7.2 If the entity is not established in Australia but is required by the law of the place of its establishment to prepare an +annual report to its +security holders, a copy of the +annual report provided to +security holders under that law. This must be given to ASX by the earlier of:

- The first day the entity sends the documents to +security holders under that law.
- The last day for the documents to be given to +security holders under that law.

4.7.3 A completed Appendix 4G.

4.7.4 If the entity's +corporate governance statement is not included in its +annual report, a copy of its +corporate governance statement current as at the effective date specified in that statement for the purposes of rule 4.10.3.

The documents referred to in rule 4.7.3 and 4.7.4 (if applicable) must be given to ASX at the same time as the entity gives its +annual report to ASX under rule 4.7.1 or 4.7.2 (as the case may be).

However, an entity need not give ASX any of the above documents ~~+annual report or any concise report if it comprises only documents~~ if they have already been given to ASX under listing rule 4.5. The entity must tell ASX if this is the case.

Introduced 01/07/96 Origin: Listing Rule 3C(1A)(b) Amended 01/07/97, 01/07/98, 01/09/99, 01/07/00, 24/10/05, 01/01/12, 1/7/2014. The amendments on 1/7/2014 apply in respect on financial years ending on or after 30 June 2015.

Note: Section 314 entitles an entity to send a concise report to security holders, except those who request the full financial report under section 316.

Note: Listing rule 15.4 requires 2 hard copies of an annual report and any concise report to be given to ASX.

Cross reference: Listing rules 15.3, and 15.4.

**Purpose of Amendment:** This amendment builds upon the changes proposed below to Listing Rule 4.10.3, which are intended to allow a listed entity to choose whether it includes its corporate governance statement under that rule in its annual report or on its website. It is in keeping with the reforms proposed in the third edition of the ASX Corporate Governance Council’s Principles and Recommendations and, in particular, the Council’s desire to afford greater flexibility to listed entities to make their corporate governance disclosures either in their annual report or on their website.

Under new Listing Rule 4.7.3, regardless of whether an entity chooses to include its corporate governance statement in its annual report or on its website, it must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The reasons for this requirement are explained below.

Under new Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement under Listing Rule 4.10.3 on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

This requirement is intended to cater for the fact that an entity’s website is likely to change over time. Requiring the entity to give a copy of its online corporate governance statement to ASX at the same time as it gives ASX its annual report will ensure that there is a contemporary and permanent record of that statement kept on the Market Announcements Platform. This in turn will improve the ability of investors and other interested parties to locate a copy of that statement in the form it was in as at its effective date and also to follow changes in an entity’s governance practices from year to year.

These changes are proposed to come into effect on and from 1 July 2014, the same date as the third edition of the ASX Corporate Governance Council’s Principles and Recommendations is proposed to take effect.

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## Listing Rule 4.10

### +++++ Additional information to be included by all entities

4.10 An entity must include the following information in its +annual report. Unless otherwise specified in this rule, tThe information must be current at a date specified by the entity, which must be on or after the entity's balance date and not be more than 6 weeks before the report is given to ASX ~~sent to security holders (unless listing rule 4.10.20(a) applies).~~

Introduced 01/07/96 Origin: Listing Rule 3C(3)(e), 3B(2C) Amended 01/07/97, 01/07/98, 01/09/99, 30/09/01, 01/06/10, 04/03/13, 1/7/2014.

Note: Listing rules 4.10.3 and 4.10.20 specify different dates to the one above at which the information referred to in those rules must be current.

Cross reference: Listing rules 4.7, 5.6 and 19.11A.

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4.10.3 ~~A~~Either of the following:

- a +corporate governance statement that meets the requirements of this rule; or
- the URL of the page on its website where a +corporate governance statement that meets the requirements of this rule is located.

The +corporate governance statement must disclose ~~ing~~ the extent to which the entity has followed the recommendations set by the +ASX Corporate Governance Council during the reporting period. If the entity has not followed ~~all of the~~ recommendations for any part of the reporting period, the entity ~~its +corporate governance statement must separately identify those that~~ its +corporate governance statement must separately identify those that recommendations ~~and the period during which it was that have not been~~ followed and give state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period. ~~If a recommendation has been followed for only part of the period, the entity must state the period during which it has been followed.~~

The +corporate governance statement must also:

- specify the date at which it is current, which must be the entity's balance date or a later date specified by the entity; and
- state that it has been approved by the board of the entity (in the case of a trust, the board of the responsible entity of the trust).

Introduced 1/7/1996. Origin: Listing Rule 3C(3)(j). Amended 1/1/2003, 01/06/2010, 1/5/2013, 1/7/2014. The amendments on 1/7/2014 apply in respect on financial years ending on or after 30 June 2015.

Note: Under listing rule 4.7, if an entity's ~~The~~ corporate governance statement is not included in its annual report, it may must be given to ASX as a separate document report but must be given to ASX at the same time as the annual report. In such a case, the document should and be clearly identified as the entity's corporate governance statement under this rule.

A corporate governance statement may incorporate material by reference (for example, on entity's website or in another part of its annual report) provided that material is freely available and the statement clearly indicates where interested parties can read or obtain a copy of that material.



**Purpose of Amendment:** This amendment is intended to modify Listing Rule 4.10.3 to give effect to the changes proposed in the third edition of the ASX Corporate Governance Council’s Principles and Recommendations and, in particular, to afford greater flexibility to listed entities to make their corporate governance disclosures either in their annual report or on their website.

Under the modified rule, a listed entity will be able to include its corporate governance statement either in its annual report or on its website. In the latter case, its annual report will need to include the URL of the page on its website where its corporate governance statement can be found.

It is also proposed to modify the rule to make it clearer what an entity should disclose if it has not followed a recommendation of the ASX Corporate Governance Council for any part of the reporting period. In such a case, the modified rule will require the entity to identify separately the recommendation in question and the period during which it was not followed, and to state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

It is further proposed to add requirements that an entity’s corporate governance statement must specify the date at which it is current, which must be the balance date or a later date specified by the entity, and state that it has been approved by the board of the entity (in the case of a trust, the board of the responsible entity of the trust). These requirements will apply regardless of whether the entity’s corporate governance statement is included in its annual report or on its website.

The flexibility for a listed entity to choose an effective date for a corporate governance statement that is later than its balance date is intended to allow the entity, for example, to choose as the effective date the same date as the directors’ declaration under section 298(2)(b) of the Corporations Act. This would allow the board to sign off on the entity’s financial statements and its corporate governance statement at the same time.

The requirement for an entity’s corporate governance statement to state that it has been approved by the board of the entity (in the case of a trust, the board of the responsible entity of the trust) is intended to ensure that a listed entity’s corporate governance statement receives appropriate focus by the board and is not just a “boilerplate” document produced by professional advisers, as some corporate governance statements occasionally appear to be. It also reflects the legal responsibility that the directors of a listed entity have under the general law for ensuring that a listed entity has appropriate governance arrangements in place.

An amendment is also being proposed to the opening paragraph in Listing Rule 4.10 to recognise the increasingly common practice of a number of listed entities who file their annual reports with ASX well before sending the “glossy version” to their security holders. Rather than requiring the information specified in that rule to be current as at a date specified by the entity, which is not “more than 6 weeks before the report is *sent to security holders*”, it is proposed to modify the rule so that the information must be current as at a date that is on or after the entity’s balance date and not “more than 6 weeks before the report is *given to ASX*”.

These changes are proposed to come into effect on and from 1 July 2014, the same date as the third edition of the ASX Corporate Governance Council’s Principles and Recommendations is proposed to take effect.

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**Chapter 10**

**Listing Rule 10.1**

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**Approval required if test met**

10.1 An entity (in the case of a trust, the responsible entity) must ensure that neither it, nor any of its +child entities, +acquires a substantial asset from, or +disposes of a substantial asset to, any of the following +persons without the approval of holders of the entity’s +ordinary securities.

10.1.1 A +related party of the entity.

10.1.2 A +child entity ~~subsidiary~~ of the entity.

10.1.3 A +substantial holder in the entity, if the person and the person’s +associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting +securities in the entity.

~~Note: The relevant interpretation of “associate” for the purposes of this rule is the interpretation in section 12 of the Corporations Act.~~

10.1.4 An +associate of a +person referred to in rules 10.1.1 to 10.1.3.

~~Note: The relevant interpretation of “associate” for the purposes of this rule is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

10.1.5 A +person whose relationship to the entity or a +person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX’s opinion, the transaction should be approved by +security holders.

If an entity breaks this rule, ASX may require it to take the corrective action set out in rule 10.9.

Introduced ~~1~~/07/96 Origin: Listing Rules 3J(3)(a), (b) Amended ~~1~~/07/98, 13/03/00, 30/09/01, 1/1/2014.

Cross reference: Rule 10.7 deals with classified assets. Rule 10.8 deals with getting ASX’s opinion about the application of rule 10.1. Rule 10.9 deals with corrective action. This remedy is in addition to any other that ASX has for a breach of the listing rules.

**Purpose of Amendment:** These amendments to Listing Rule 10.1 are intended to improve and clarify its drafting. In particular, the notes to Listing Rule 10.1.3 and 10.1.4 explaining the meaning of “associate” are proposed to be deleted on the basis that they will no longer be needed, given the new definition of “associate” proposed to be added to Listing Rule 19.12 (see below).

ASX would highlight that the note to Listing Rule 10.1.4 currently references the definition of “associate” in section 13 of the Corporations Act, whereas in ASX’s opinion it should reference the definition in sections 12 and 16. This will be corrected by the adoption of the proposed new definition of “associate” in Listing Rule 19.12. In this regard, the definition of “associate” in section 13 of the Corporations Act is drafted to apply for the particular purposes of chapter 7 of the Corporations Act and relates specifically to persons who are associated with each other in connection with a financial services business. It does not translate well into situations where it needs to be applied under the Listing Rules for more general purposes.

These changes are proposed to come into effect on and from 1 January 2014.

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**Listing Rule 10.14**

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**Approval required to acquire securities under an employee incentive scheme**

10.14 An entity must not permit any of the following +persons to +acquire +securities under an +employee incentive scheme without the approval of holders of +ordinary securities of the +acquisition. The notice of meeting to obtain approval must comply with either rule 10.15 or 10.15A. This rule does not apply to securities purchased on—market under the +terms of a scheme that provides for the purchase of +securities by or on behalf of employees or directors or their related parties.

Note: The definition of "on—market" for the purposes of this rule is the definition in section 9 of the Corporations Act and is intended to exclude ~~special crossings, block trades and other transactions effected off-market (even though they may ultimately be reported to a market operator), crossings during the pre-open phase, the enquire phase, the after hours adjust phase and trades during the enquire phase.~~

10.14.1 A director of the entity.

10.14.2 ~~An +related party associate of the a~~ director of the entity.

~~Note: The relevant interpretation of "associate" for the purposes of this rule is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

10.14.3 A +person whose relationship with the entity or a +person referred to in rules 10.14.1 or 10.14.2 is, in ASX’s opinion, such that approval should be obtained.

Introduced 01/07/96 Origin: Listing Rules 3E(8)(a)d., 3W(10) Amended 01/07/00, 30/09/01, 24/10/05, 1/1/2014.

Example: An acquisition of securities by a director’s private company or family trust is caught by this rule.

Note: Where a single person who fits into a category of persons covered by the rule is to participate in a scheme which is an employee incentive scheme for the purposes of the rule, the entity must seek approval under this rule.

The issue of shares following the exercise of options which have been issued under an employee incentive scheme is not regarded as the acquisition of securities under the scheme.

**Purpose of Amendment:** These amendments:

- correct a minor drafting error in the opening paragraph of Listing Rule 10.14;
- extend the exception in the last sentence of the opening paragraph of Listing Rule 10.14 to cover share schemes that provide for purchases by or on behalf of related parties of an employee or director, as well as purchases by or on behalf of an employee or director;
- update the note to Listing Rule 10.14 to reflect the introduction of competitive exchange trading in Australia and the different terminology now used in the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011 to describe off-market transactions, compared to the way in which they were historically described under the ASX Operating Rules; and
- replace the reference to an “associate” of a director in Listing Rule 10.14.2 (which currently cross-references the definition of “associate” in section 13 of the Corporations Act), with a reference to a “related party” of a director.

On this last point, as mentioned previously, the definition of “associate” in section 13 of the Corporations Act is drafted to apply for the particular purposes of chapter 7 of the Corporations Act and relates specifically to persons who are associated with each other in connection with a financial services business. It does not translate well into situations where it needs to be applied under the Listing Rules for more general purposes. The expression “related party” is defined in Listing Rule 19.12 (see the definition in paragraph (c) that applies “in relation to a person”). ASX considers that this expression better reflects and serves the purpose of Listing Rule 10.14.

These changes are proposed to come into effect on and from 1 January 2014.

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**Listing Rule 10.16**

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**No underwriting by directors or their related parties ~~and associates~~**

10.16 An entity must not permit any of the following persons to underwrite a +dividend or distribution plan.

10.16.1 A director of the entity (in the case of a trust, the responsible entity).

10.16.2 An +related party ~~associate~~ of a director of the entity (in the case of a trust, of the responsible entity).

~~Note: The relevant interpretation of “associate” for the purposes of this rule is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

10.16.3 A +person whose relationship with the entity or a +person referred to in rules 10.16.1 or 10.16.2 is, in ASX’s opinion, such that the +person should not underwrite the plan.

Introduced 01/07/96 Origin: Listing Rule 3E(8)(b) Amended 01/07/98, 30/09/01, 1/1/2014.

**Purpose of Amendment:** This amendment replaces the reference to an “associate” of a director in Listing Rule 10.16.2 (which currently cross-references the definition of “associate” in section 13 of the Corporations Act), with a reference to a “related party” of a director.

Again, the definition of “associate” in section 13 of the Corporations Act is drafted to apply for the particular purposes of chapter 7 of the Corporations Act and relates specifically to persons who are associated with each other in connection with a financial services business. It does not translate well into situations where it needs to be applied under the Listing Rules for more general purposes. The expression “related party” is defined in Listing Rule 19.12 (see the definition in paragraph (c) that applies “in relation to a person”). ASX considers that this expression better reflects and serves the purpose of Listing Rule 10.16.

These changes are proposed to come into effect on and from 1 January 2014.

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**Chapter 12**

**Listing Rule 12.7**

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12.7 An entity which was included in the +S & P All Ordinaries Index at the beginning of its financial year must have an audit committee during that year. If the entity was included in the +S & P / ASX 300 Index at the beginning of its financial year it must also comply with the recommendations set by the ASX Corporate Governance Council in relation to composition, ~~and~~ operation ~~and responsibility~~ of the audit committee for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year. An entity that is included in the +S & P / ASX 300 Index for the first time less than 3 months before the first day of its financial year but did not comply with the recommendations set by the ASX Corporate Governance Council in relation to composition, ~~and~~ operation ~~and responsibility~~ of the audit committee at that date must take steps so that it complies with those recommendations within 3 months of the beginning of the financial year.

Introduced 1/1/2003. Origin: Listing rule 4.10.2. Amended 3/5/2004, 11/01/2010, ~~1/5/2013, 1/7/2014.~~

Note: If the entity is a trust, its audit committee may also be the responsible entity’s audit committee.

The S & P / ASX 300 Index is reviewed semi-annually.

If an entity was included in the index on the first day of its financial year but is subsequently not included in the index following a review, it must comply with this rule for the whole of the financial year. If an entity was not included in the index on the first day of its financial year but is subsequently included in the index following a review, it need not comply with this rule for that financial year.

Entities which are included in the S & P/ASX 300 Index for the first time have a transitional period to constitute an audit committee that complies with the recommendations of the ASX Corporate Governance Council.

Examples: (1) An entity has a balance date of 30 June. It is included in the S & P/ASX 300 Index for the first time in September 2010. It will be required to have an audit committee that complies with the recommendations of the ASX Corporate Governance Council constituted by no later 1 July 2011.

(2) An entity has a balance date of 31 March. It is included in the S & P/ASX 300 for the first time in early March 2010. It will be required to have an audit committee that complies with the recommendations of the ASX Corporate Governance Council constituted by no later than 1 July 2010.

Cross reference: Listing rule 4.10.3.

**Purpose of Amendment:** This amendment makes some minor drafting corrections to Listing Rule 12.7. In particular, it removes the references to the recommendations set by the ASX Corporate Governance Council in relation to the “responsibility” of an audit committee. The recommendations set by the ASX Corporate Governance Council in relation to audit committees relate to the composition and operation of the committee rather than its responsibility.

These changes are proposed to come into effect on and from 1 July 2014, the same date as the third edition of the ASX Corporate Governance Council’s Principles and Recommendations is proposed to take effect.

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**Listing Rule 14.11**

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**Voting exclusion statement**

14.11 If a rule requires a notice of meeting to include a +voting exclusion statement, the notice of meeting must contain a statement to the following effect.

*The entity will disregard any votes cast on a resolution by:*

- *the (named) person (or class of persons) excluded from voting; and*
- *an ±associate of that person (or those persons).*

*However, the entity need not disregard a vote if:*

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Introduced 01/07/1996. Amended 1/5/2013.

Note: For the purposes of this rule, “associate” has the meaning given in [rule 19.12](#) ~~sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if it was not confined to associate references occurring in Chapter 6 and on the basis that the entity is the “designated body” for the purposes of that section. Where the named person in the voting exclusion statement is a director or officer of the entity or of a child entity, “associate” also includes a related party of that director or officer.~~

Cross reference: listing rule 14.2.3.

**Purpose of Amendment:** This amendment modifies the note to Listing Rule 14.11.1 to recognise and incorporate the definition of “associate” proposed to be added to Listing Rule 19.12.

These changes are proposed to come into effect on and from 1 January 2014.

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**Chapter 19**

**Listing Rule 19.12**

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19.12 The following expressions have the meanings set out below.

Introduced 1/7/1996. Origin: Definitions.

**Expressions**

**meanings**

...

associate

has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if it was not confined to associate references occurring in Chapter 6 of the Corporations Act and on the basis that the entity is the “designated body” for the purposes of that section. When used in relation to a director or officer of the entity or of a +child entity, the term “associate” also includes a +related party of that director or officer.

Introduced 1/1/2014.

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corporate governance statement

the statement referred to in listing rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the +ASX Corporate Governance Council during a particular reporting period.

Introduced 1/7/2014. This definition applies in respect on financial years ending on or after 30 June 2015.

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promoter

(a) A +person ~~(or associate of a +person)~~ who has had a material involvement in, or who has provideds a service to the entity ~~(or to a +related party of the entity)~~ in relation to, either of the following ~~or who, in the opinion of ASX, is involved in or has had any influence in either of the following.~~

- The entity’s promotion or listing; or
- The entity’s initial public offering.

~~Note: The relevant interpretation of “associate” for the purposes of this paragraph is the interpretation in section 11 and sections 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to associate references occurring in Chapter 7.~~

(b) Unless ASX decides otherwise, a <sup>+</sup>substantial holder in the entity, ~~(or associate of a <sup>+</sup>substantial holder)~~ if the person and the person's <sup>+</sup>associates have a relevant interest in at least 10% of the voting <sup>+</sup>securities at any time in the 12 months before the date of the application for admission to the <sup>+</sup>official list.

Introduced 01/07/98 Amended 13/03/00, 01/07/00

Note: The relevant interpretation of "associate" for the purposes of this paragraph is the interpretation in section 12 of the Corporations Act.

(c) A <sup>+</sup>person whose relationship with the entity or a <sup>+</sup>person referred to in (a) or (b) above is, in ASX's opinion, such that the <sup>+</sup>person should be considered to be a promoter of the entity.

Introduced 1/07/98 Amended 13/03/00, 1/07/00, 1/1/2014.

**Purpose of Amendment:** These amendments to Listing Rule 19.12:

- add a new definition of "associate" for the purposes of Listing Rules (more specifically, Listing Rules 10.1, 10.10, 14.11.1 and the definition of "promoter" in Listing Rule 19.12);
- add a new definition of "corporate governance statement" so as to facilitate the revisions proposed to Listing Rules 4.7 and 4.10.3; and
- make changes to the definition of "promoter" to improve its drafting and to acknowledge and incorporate the new definition of "associate".

The new definition of "associate" and the changes to the definition of "promoter" are proposed to come into effect on and from 1 January 2014. The new definition of "corporate governance statement" is proposed to come into effect on and from 1 July 2014, the same date as the third edition of the ASX Corporate Governance Council's Principles and Recommendations is proposed to take effect.

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**Appendix 4G**

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Insert the attached Appendix 4G after Appendix 4F.

**Purpose of Amendment:** This amendment inserts a new Appendix 4G into the Listing Rules. Under changes proposed to Listing Rule 4.7 (see above), a listed entity will be required to complete an Appendix 4G and give it to ASX at the same time as it gives its annual report to ASX.

The Appendix 4G is intended to address a number of issues that ASX perceives with the current corporate governance reporting framework, as embodied in Listing Rule 4.10.3 and the Principles and Recommendations of the ASX Corporate Governance Council. These include:

- The current ASX Corporate Governance Council Recommendations suggest a number of matters that ought to be disclosed outside of the entity’s corporate governance statement in its annual report. In some cases, the Recommendations state that the information “should be publicly available, ideally by posting it on the company’s website in a clearly marked corporate governance section” (see, for example, Recommendations 1.1, 3.1, 3.2, 5.1, 6.1 and 7.1 and the corresponding guides to reporting on those matters in Recommendations 1.3, 3.5, 5.2, 6.2 and 7.4). In other cases, the Recommendations simply suggest that certain matters should be disclosed without recommending where that disclosure should be made (see, for example, Recommendations 1.2 and 2.5 and the corresponding guides to reporting on those matters in Recommendations 1.3 and 2.6).

An entity that complies with an ASX Corporate Governance Council Recommendation technically is not required to make any further disclosure about that matter in its corporate governance statement under Listing Rule 4.10.3, since that rule only requires disclosure where an entity does not follow a particular Recommendation. In practice, this can mean that an entity complies with a Recommendation (for example to have an audit committee and to disclose its charter) without identifying where it has disclosed information relevant to that Recommendation (in the example given, where it has disclosed the charter of its audit committee). This can make it difficult and/or time consuming to locate disclosures made in connection with the ASX Corporate Governance Council Recommendations.

- Compounding the issue in the previous bullet point, while the various guides to reporting in the current ASX Corporate Governance Council Recommendations generally recommend that most governance disclosures are made in a discrete corporate governance statement in the entity’s annual report, there are some Recommendations (see for example Recommendations 3.3 and 3.4 and the corresponding guide to reporting on those matters in Recommendation 3.5) where the disclosure is simply recommended to be in the entity’s annual report. For instance, a significant number of listed entities do not disclose in their corporate governance statement the number of women directors on their board (ASX Corporate Governance Council Recommendation 3.4). ASX assumes that this is on the basis that this information will be apparent from the director profiles usually included elsewhere in an annual report. This leads to the need to review the width and breadth of the annual report, rather than a discrete corporate governance statement, to locate all of the disclosures relevant to governance matters. Again, this can make it difficult and/or time consuming to locate disclosures made in connection with the ASX Corporate Governance Council Recommendations.

- ASX has noticed some instances where corporate governance statements appear to be pro forma or standardised documents produced by professional advisers, leading to some doubt as to whether they reveal an accurate and granular picture of the actual governance practices adopted by the entity. The issues identified in the two bullet points above make it more difficult to identify cases where that might be so.

ASX considers that without some pre-emptive remedial action, the flexibility being introduced by the third edition of the ASX Corporate Governance Council Principles and Recommendations and the associated changes to ASX's Listing Rules to allow listed entities to choose to make their governance disclosures in their annual report or on their website could exacerbate the issues identified above.

The proposed Appendix 4G seeks to address these issues by providing a key to where the relevant governance disclosures can be found.

The Appendix 4G is not intended to replace, or in any way detract from, the requirement for listed entities to include a corporate governance statement in their annual report or on their website under listing rule 4.10.3 – simply to ensure that the disclosures made in accordance with that rule or in connection with the ASX Corporate Governance Council Recommendations are readily identifiable and easily located.

ASX considers that the new Appendix 4G will deliver significant benefits for all key stakeholders:

1. **Benefits for listed entities:** by particularising each ASX Corporate Governance Council Recommendation that needs to be reported against, the Appendix 4G will assist entities to comply with their obligations under Listing Rule 4.10.3 and provide them with a documented verification process to confirm their compliance with that Listing Rule.

Given the significant criminal and civil liabilities that can attach to a listed entity and its directors and officers if the entity's annual report contains false or misleading information (see, for example, sections 1041E, 1308(2) and 1309 of the Corporations Act), ASX would expect most listed entities to be conducting a detailed verification exercise in relation to their annual reports to confirm that the statements in the annual report have a reasonable basis in fact and are not misleading. The Appendix 4G will aid that exercise, in so far as the annual report includes disclosures made in connection with the ASX Corporate Governance Council Recommendations.

2. **Benefits for investors:** the Appendix 4G will provide investors with improved disclosure about whether or not listed entities have followed specific ASX Corporate Governance Council Recommendations and make it easier for them to identify and locate corporate governance disclosures. This will empower investors to better assess the governance practices of listed entities and, in turn, help investors to make more informed investment decisions.
3. **Benefits for ASX and the market generally** - the Appendix 4G will facilitate a quick real time review of corporate governance disclosures by ASX Listings advisers and therefore enable faster detection and correction of instances of material non-compliance with Listing Rule 4.10.3.

The new Appendix 4G is proposed to come into effect on and from 1 July 2014, the same date as the third edition of the ASX Corporate Governance Council's Principles and Recommendations is proposed to take effect.

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## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

ABN/ARBN

Financial year ended

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

these pages of our annual report: \_\_\_\_\_

this URL on our website: \_\_\_\_\_

The Corporate Governance Statement is accurate and up to date as at [*insert effective date of statement*] and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: \_\_\_\_\_

Sign here: \_\_\_\_\_  
Director/company secretary

Print name: \_\_\_\_\_

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> “Corporate governance statement” is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity’s corporate governance statement can be found.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p>1.1 A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our board charter:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.4 The company secretary of a listed entity should have a direct reporting line to the chair of the board.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> <p>(1) to set measurable objectives for achieving gender diversity; and</p> <p>(2) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(1) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them;</p> <p>(2) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p>	<p>... the fact that we have a diversity policy that complies with paragraphs (a)(1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b><u>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</u></b>			
2.1	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.1 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A majority of our board are independent directors.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.3	The chair of our board is an independent director and, in particular, is not the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.4	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;  <u>OR</u></p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>... and a copy of the charter of the committee:</p> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>... and the information referred to in paragraphs (4) and (5):</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession</p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
2.5	<p>A listed entity should have and disclose a statement as to the mix of skills and diversity that the board is looking to achieve in its membership</p> <p>... a statement as to the mix of skills and diversity that the board is looking to achieve in its membership:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	<p>A listed entity should:</p> <p>(a) have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively; and</p> <p>(b) disclose a summary of the main features of that program.</p> <p>... a summary of the main features of our director induction and development program:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b><u>PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING</u></b>		
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> <p>... our code of conduct or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b><u>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING</u></b>		
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are</p> <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;</p> <p><b>OR</b></p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting.</p>	<p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our financial reporting:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b><u>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</u></b>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a risk committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u></p> <p>(b) include within the role and responsibilities of the audit committee the role and responsibilities normally undertaken by a risk committee; <u>OR</u></p> <p>(c) if it does not have a risk committee (whether as a stand-alone committee or as part of the role and responsibilities of the audit committee), disclose that fact and the processes it employs for identifying, measuring, monitoring and managing the material business risks it faces.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a risk committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that our audit committee also undertakes the role and responsibilities normally undertaken by a risk committee:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <b>NOT</b> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p style="text-align: center;"><i>Insert location here</i></p> <p>[If the entity complies with paragraph (c):]  ... the fact that we do not have a risk committee and the processes we employ that independently verify and safeguard the integrity of our financial reporting:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;"><i>Insert location here</i></p>	
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <b>OR</b></p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]  ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;"><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of its our management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>





Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3 A listed entity should: (a) have a “clawback” policy which sets out the circumstances in which the entity may claw back performance-based remuneration from its senior executives; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: (1) whether any performance-based remuneration has been clawed back in accordance with the policy during the reporting period; and (2) where performance-based remuneration should have been clawed back in accordance with the policy during the reporting period but was not, the reasons for this.	... the fact that we have a clawback policy that complies with paragraph (a): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>  ... and a copy of our clawback policy or a summary of it: <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>  ... and the information referred to in paragraphs (c)(1) and (2): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
8.4	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b><u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u></b>			
-	<p><i>Alternative to Recommendations 1.1 and 2.6 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements; and</p> <p>(c) its program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p>	<p>... the information referred to in paragraphs (a), (b) and (c):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2, 8.3 and 8.4 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>