

Mavis Tan

From: Ian Matheson <ian.matheson@aira.org.au>
Sent: Tuesday, 7 August 2018 4:28 PM
To: Mavis Tan
Subject: [Unverified Sender SPF] AIRA submission to ASX CGC

Importance: High

BY EMAIL

ASX Corporate Governance Council
c/o ASX Limited PO Box H224
Australia Square NSW 1215
Attention: Mavis Tan

Dear Mavis

The Australasian Investor Relations Association (AIRA) would like to make a brief submission to the ASX Corporate Governance Council consultation on proposed changes to the draft 4th edition of its Principles and Recommendations.

We confine our comments to the proposed amendments to Principles 5 and 6 which are most relevant to the practice of investor relations.

Principle 5

- **WE SUPPORT** the addition of commentary to **principle 5** (make timely and balanced disclosure) acknowledging that for investors to make informed investment decisions, a listed entity needs to make timely and balanced disclosure of information that a reasonable person would expect to have a material effect on the price or value of its securities;
- **WE SUPPORT** an amendment to **recommendation 5.1** (disclosure policy) requiring a listed entity to disclose its continuous disclosure compliance policy in full and removing its ability to disclose only a summary of the policy;
- **WE SUPPORT** a new **recommendation 5.2** that “[a] listed entity should ensure that its board receives copies of all announcements under Listing Rule 3.1 promptly after they have been made”;
- **WE SUPPORT** a new **recommendation 5.3** that “[a] listed entity that gives a new investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation”; **HOWEVER, AIRA FURTHER RECOMMENDS THAT WHERE ANY SUCH PRESENTATION IS GIVEN AT A MATERIAL EVENT (EG COMPANY HOSTED INVESTOR DAY OR A MAJOR BROKER ORGANISED CONFERENCE), CONSIDERATION SHOULD ALSO BE GIVEN TO PROVIDING A LIVE WEBCAST OF THE PRESENTATION AND ANY QUESTION AND ANSWER SESSION. IF THE PROVISION OF A WEBCAST IS IMPRACTICAL, THEN LISTED ENTITIES SHOULD PROVIDE FULL SPEAKER NOTES ALONG WITH THE POWERPOINT SLIDES.**

Principle 6

- **WE SUPPORT** an amendment to the commentary to **principle 6** (respect the rights of security holders) acknowledging that the provision of high quality corporate reporting and continuous disclosure are important for security holders to be able to exercise their rights as owner effectively;

- **WE SUPPORT** an amendment to the commentary on **recommendation 6.1** (information on website) to suggest a listed entity include on its website links to its “other corporate reports”, as well as to its annual directors’ report and financial statements;
- **WE SUPPORT SOME OF THE** amendments to the commentary on **recommendation 6.2** (investor relations program):
 - referring to proxy advisers in the list of possible stakeholders to be covered in the investor relations program of a larger listed entity; **PERHAPS THIS COULD BE DEFINED TO BE ASX300 LISTED ENTITIES**
 - adding a statement that while the focus of many investor relations programs will be on larger investors and financial market participants who service larger investors, listed entities should also seek opportunities to engage with retail investors and the organisations that represent them, to understand the matters of concern or interest to smaller investors; **WE DO NOT SUPPORT SINGLING OUT PARTICULAR ORGANISATIONS OR GROUPS OF ORGANISATIONS IN THIS CLAUSE AS IT IS UNREASONABLE FOR SMALLER LISTED ENTITIES. WE SUGGEST DELETING THE WORDS “AND THE ORGANISATIONS THAT REPRESENT THEM”.**
 - **WE SUPPORT** adding a suggestion that a listed entity should also consider monitoring popular social media forums used by retail investors for comments about the entity; and
 - **WE SUPPORT** adding a statement that where significant comments or concerns are raised by investors, they should be conveyed to the entity’s board and relevant senior executives.

Kind regards

Ian

Ian Matheson
Chief Executive Officer



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About AIRA

The Australasian Investor Relations Association (AIRA) was established in 2001 to advance the awareness of and best practice in investor relations in Australia and New Zealand and thereby improve the relationship between listed entities and the investment community. The Association’s 160 corporate members now represent over **A\$1.2 trillion** of market capitalisation, over 80% of the total market capitalisation of companies listed on ASX.

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