Roadmap of Recommendation Changes

The following table provides a recommendation-by-recommendation view of the proposed changes to the recommendations in the draft 5th edition of the ASX Corporate Governance Principles and Recommendations (**Principles**) compared to the current 4th edition. It is designed to be read alongside the draft 5th edition of the Principles and the Consultation Paper to assist navigating the proposed changes. At a high level, we have summarised the status of a Recommendation in the draft 5th edition as compared to the 4th edition as follows:

- *Moved*: a recommendation has moved, and the same core requirement retained.
- *Recast*: a recommendation covers the same subject matter but has been reworked in form, scope or structure.
- *Refined*: the core requirement of a recommendation remains the same, with drafting updated.
- *Removed*: the recommendation has been removed as a recommendation.
- *Retained*: the core requirement of the recommendation remains the same.

Recommendation of changes between 4th edition and draft 5th edition

Rec # 4th edition	Rec # 5th edition	Recommendation description	Status as a Recommendation in draft 5th edition	Draft 5th edition change
1.1	1.1	Board charter	Recast	Recast to include the function of a board charter.
1.2	2.6	Pre-appointment checks and disclosures for director elections	Partial move and remove	Same core requirements for director appointments. Removed the requirement for senior executive checks.
1.3	2.6	Written agreements with directors and senior executives	Retained (directors) Removed (senior executive)	Same core requirement for director appointments (Rec 2.6), with senior executive appointment letters moving to explanatory material to Rec 1.1 about role clarity.
1.4	1.2	Company secretary accountability	Retained	Same core requirement.
1.5	2.3	Diversity policy and measurable objectives: board, senior executives and workforce	Recast, partial move and remove	Board diversity moved to 2.3. Senior executive and workforce diversity removed as a Recommendation, with reporting about workforce diversity in Explanatory Material for 3.3. Removal of disclosure of diversity policy due to regulatory duplication.
1.6	1.3	Periodic evaluation of the board performance and disclosure	Moved	Same core requirement.
1.7	1.4	Periodic evaluation of senior executives and disclosure	Moved	Same core requirement.
2.1	2.1	Nomination committee structure and disclosures	Recast and partial remove	Same core requirement and recast to include responsibilities of a board nomination committee (succession, skills, independence and diversity) that is in 4th edition Rec 2.1(b). Removed the two-tiered approach to meeting the Recommendation by removing 4th edition Rec 2.1(b).

Rec # 4th edition	Rec # 5th edition	Recommendation description	Status as a Recommendation in draft 5th edition	Draft 5th edition change
2.2	2.2	Board skills matrix and disclosure	Recast and partial remove	Recast to the board's role in a skills, knowledge and experience assessment. Combined 4th edition Rec 2.6 to have one recommendation about assessment, disclosure and professional development. Removed disclosure of a board skills matrix and moved the role of a matrix to explanatory material as being a tool to support a board skills assessment.
2.3	2.4	Independence disclosure and length of service	Moved and recast	Independence disclosure elements are combined with majority-independence requirements in Rec 2.4. Recast Box 2.3 factors into Explanatory Material for 2.4.
2.4	2.4	Majority independent directors and independence disclosure.	Moved	Majority independent directors retained, with independence disclosure and length of service incorporated into the same recommendation (Rec 2.4).
2.5	2.5	Independent chair and separation from CEO	Retained	Same core requirement.
2.6	2.2	Induction and professional development	Moved	Induction and professional development moved into Rec 2.2, to combine with skills assessment and disclosure.
3.1	3.2	Articulate and disclose values	Recast and moved	Recast into the recommendation from commentary that an entity's values should be board approved and combined with the recommendation that an entity should have and disclose a code of conduct.
3.2	3.2	Have and disclose a code of conduct, and board informed of material breaches	Recast and moved	Recast to include board's role in approving a code of conduct and combined with recommendation for entity's values. Moved material breach reporting to Rec 3.3 and recast material breach reporting of specific policies, to breaches of key policies supporting an entity's culture.
3.3	3.3	Whistleblower policy disclosure	Recast and partial remove	Recast reporting of material breaches of this specific policy to key policies supporting an entity's culture. Removal of disclosure of this policy due to regulatory duplication and introduced disclosure of board mechanisms to monitor culture.
3.4	3.3	Anti-bribery and corruption policy disclosure	Recast and partial remove and move	Recast reporting of material breaches of this specific policy to key policies supporting an entity's culture (Rec 3.3). Removal of disclosure of this policy due to regulatory duplication and introduced disclosure of board mechanisms to monitor culture.
NEW	3.1	Regard to security holders and stakeholders and disclosing engagement processes	New	New recommendation that the board should act in best interests of entity, have regard to security holders and stakeholders and disclose its engagement processes.
4.1	4.1	Audit committee structure and disclosures	Recast and partial remove	Same core requirement and recast to include responsibilities of a board audit committee (independent verification and safeguarding the integrity of periodic corporate reporting more broadly). Removed the two-tiered approach to meeting the Recommendation by removing 4th edition 4.1(b).

Rec # 4th edition	Rec # 5th edition	Recommendation description	Status as a Recommendation in draft 5th edition	Draft 5th edition change
4.2	9.3	CEO and CFO declaration for financial statements	Removed for Australian established entities. Moved for entities established outside Australia.	No longer a general recommendation due to regulatory duplication.
4.3	4.2	Disclose the process(es) to verify periodic corporate reports	Refine and moved	Refinement of core requirement to support disclosure of processes to verify each periodic corporate report, and defined the term 'periodic corporate report' to provide certainty and clarity.
NEW	4.3	Disclosure of dates of auditor appointment and last comprehensive review	New	New disclosures about auditor tenure (date first appointed) and the time of the last comprehensive review of the engagement.
5.1	5.1	Continuous disclosure policy	Refined	Same core requirement and refined by removing from the recommendation the reference to the specific listing rule associated with an entity's continuous disclosure obligation.
5.2	5.2	Board receipt of material announcements	Retained	Same core requirement.
5.3	5.3	Release of new and substantive investor or analyst presentations	Retained	Same core requirement.
6.1	6.1	Website governance information	Refined	Same core requirement refined to reflect that this information is for a broad range of stakeholders including investors.
6.2	6.2	Investor relations program	Retained	Same core requirement.
6.3	6.3	Facilitate participation at meetings of security holders	Retained	Same core requirement.
6.4	9.4	Substantive resolutions decided by poll	Removed for entities established in Australia. Moved for entities established outside Australia.	No longer a general recommendation due to regulatory duplication.
6.5	9.5	Electronic communications with security holders	Removed for entities established in Australia. Moved for entities established outside Australia.	No longer a general recommendation due to regulatory duplication.
7.1	7.1	Risk committee structure and disclosures	Recast and partial remove	Same core requirement and recast to include responsibilities of a board risk committee(s) (oversee entity's risk management and internal control frameworks). Removed the two-tiered approach to meeting the Recommendation by removing 4th edition Rec 7.1(b).
7.2	7.2	Annual risk framework review and disclosure	Recast	Same core requirement for risk framework review and disclosure about a review and recast to include review of internal control frameworks and regard to risk appetite.
7.3	7.3	Internal audit or alternative assurance process disclosure	Recast	Same core requirement and recast 7.3(b) to remove the two-tiered approach to meeting the Recommendation.

Rec # 4th edition	Rec # 5th edition	Recommendation description	Status as a Recommendation in draft 5th edition	Draft 5th edition change
7.4	7.4	Material environmental and social risks and how managed	Removed and recast	Removed duplication with sustainability reporting requirements. Recast for an entity to instead disclose its material risks and how it manages or intends to manage those risks.
8.1	8.1	Remuneration committee structure and disclosures	Recast and partial remove	Same core requirement and recast to include responsibilities of a board remuneration committee (level and structure of senior executive and director remuneration). Removed the two-tiered approach to meeting the Recommendation by removing 4th edition Rec 8.1(b).
8.2	8.2 and 8.3	Separate disclosure of remuneration policies and practices for non-executive directors and executives	Removed	Removed disclosure of policies due to regulatory duplication. Replaced with former commentary in 8.2 moving to: • Rec 8.2: about adjusting performance-based remuneration (former commentary to 8.2 and box 8.2). • Rec 8.3: about non-executive director remuneration and security ownership.
8.3	9.7	Policy on hedging equity-based remuneration	Removed for entities established in Australia. Moved for entities established outside Australia.	No longer a general recommendation due to regulatory duplication.
Recommendations with limited application				
9.1	9.1.	Language related governance arrangements	Refined	Same core requirement with refined drafting.
9.2	9.2.	Meetings of security holders at a reasonable place and time for entities established outside Australia	Retained	Same core requirement.
9.3	9.6	AGMs for entities established outside Australia and managed listed entities	Moved	Same core requirement.
4.2	9.3	CEO and CFO declaration for entities established outside Australia	Moved to Part II for entities established outside Australia	Same core requirement for entities established outside Australia.
6.4	9.4	Poll voting for entities established outside Australia	Moved to Part II for entities established outside Australia	Same core requirement for entities established outside Australia.
6.5	9.5	Electronic communications with security holders	Moved to Part II for entities established outside Australia	No longer a general recommendation due to regulatory duplication.