

24 April 2015

ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000  
Attention: Mavis Tan

Email: Mavis.tan@asx.com.au

Dear Ms Tan

**ASX Listing Rules Guidance Note 8 – Continuous Disclosure: Listing Rules 3.1-3.1B**

The Australian Institute of Company Directors (AICD) welcomes the opportunity to make this submission with respect to the updated ASX Listing Rules Guidance Note 8 – Continuous Disclosure: Listing Rules 3.1-3.1B.

The AICD is the nation's leading organisation for directors, dedicated to making a positive impact on society and the economy by promoting professional director education and excellence in corporate governance. We have a significant and diverse membership of more than 36,000 from across a wide range of industries, commerce, government, the professions, private and not-for-profit sectors.

We congratulate the ASX on what is, in our view, a balanced and clear update to its existing Guidance Note 8. We do, however, have some comments on the updated Guidance Note which we have set out below:

- Overall, the amendments are useful and the additional guidance and examples provided in the updated draft are very clear;
- The increasing volume of the Guidance Note (now at 82 pages) is of some concern and this may impact on its usefulness as a guide. To address this we ask that consideration be given to including summaries and/or tables or making changes to the current format of the Guidance Note to assist users to navigate its content;
- Directors continue to have concerns with respect to the expectation that companies must disclose differences between their earnings and “the consensus estimate” of sell side analysts. It is often the case that determining a consensus among analysts is difficult because the spread on analysts' views on expected earnings is quite large. The spread of views may be significant even for smaller listed entities that are only covered by two or three analysts;
- It may be useful to provide further guidance around what a “material effect on price” would be – although recognising in the Guidance Note that what will be material will very much depend on a particular company's circumstances (for example, a change in the price or value of an entity's securities of 5% may be material for some companies but for others may be quite common and therefore not material in their particular context); and
- In a number of instances, the Guidance Note refers to changes in earnings relative to the prior corresponding period (for example, in relation to earnings surprises). While this will be appropriate for some companies, it should be recognised in the Guidance Note that this will not always be a useful comparison

for the purposes of determining whether a material change has occurred. For example, where the company is in a growth stage, significant changes may occur between reporting periods that are completely normal and expected.

We hope that our comments will be of assistance to the ASX. Please do not hesitate to contact Senior Policy Advisor, Gemma Morgan on (02) 8248 2724 if you would like to discuss.

Yours sincerely



**JOHN BROGDEN**

Managing Director & Chief Executive Officer