

23 April 2014

Ms Judith Fox
National Directors, Policy & Publishing
Governance Institute of Australia
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SYDNEY NSW 2001

Email: judith.fox@governanceinstitute.com.au

Dear Judith,

Improving engagement between ASX-listed entities and their institutional investors: Guidelines

The Australian Institute of Company Directors welcomes the opportunity to comment on the Governance Institute of Australia's exposure draft, "Improving engagement between ASX-listed entities and their institutional investors: Guidelines" (Guidelines) and the accompanying Background Paper.

The Australian Institute of Company Directors (Company Directors) is the second largest member-based director association worldwide, with individual members from a wide range of corporations: publicly-listed companies, private companies, not-for-profit organisations, charities, and government and semi-government bodies. As the principal professional body representing a diverse membership of over 34,000 directors, we offer world class education services and provide a broad-based director perspective to current director issues in the policy debate.

We do not intend to comment extensively on the Guidelines. However, there is one area that we think has not been adequately dealt with in the exposure draft that we believe should be addressed in the final version.

While greater and improved engagement with institutional investors is undoubtedly important for ASX-listed entities, there is a risk inherent in engaging with investors on a selective basis of non-public information being disclosed which can undermine equal and timely access to price sensitive information and potentially breach of the continuous disclosure laws.

The current exposure draft of the Guidelines does not meaningfully address this potential risk nor does it provide guidance for how companies can appropriately manage it (for example, providing broader shareholder access to investor briefings via live webcasts or other means, undertaking post-briefing reviews to check for inadvertent disclosures of material information and ensuring detailed written records are kept of all selective discussions with investors).

We recommend that the Guidelines be expanded to acknowledge these risks and to provide guidance to companies on how these risks can be managed. This is of particular importance given ASIC's current focus on market misconduct arising from selective disclosure to analysts and investors.

AUSTRALIAN INSTITUTE
of COMPANY DIRECTORS

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'John H C Colvin', with a stylized flourish at the end.

John H C Colvin
Chief Executive Officer
& Managing Director