



CHARTERED SECRETARIES
AUSTRALIA

Leaders in governance

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Heidi Gaussen
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By email: heidi.gaussen@asx.com.au

Dear Heidi

***Proposed new Listing Rules: 'good fame and character'
requirement for directors of new listed entities***

Chartered Secretaries Australia (CSA) is the independent leader in governance and risk management. As the peak professional body delivering accredited education and the most practical and authoritative training and information in the field, we are focused on improving organisational performance and transparency. Company secretaries have primary responsibility in listed companies to deal with the Australian Securities Exchange (ASX) and interpret and implement the Listing Rules. Our Members deal on a day-to-day basis with ASX and have a thorough working knowledge of the operations of the markets, the needs of investors and the Listing Rules, as well as compliance with the Corporations Act (the Act).

CSA is concerned at the lack of public consultation on the ASX proposal to amend the Listing Rules with effect from 1 January 2012 to add a new condition 17 to Listing Rule 1.1 to require an applicant for ASX listing to satisfy ASX that its directors or proposed directors at the date of listing are of good fame and character.

For example, the proposed amendment to Appendix 1A (the ASX listing application and agreement) will add a specific requirement that all applicants provide to ASX with a completed statutory declaration from each director or proposed director at the date of listing affirming, among other things, that they have not been the subject of relevant disciplinary or enforcement action by an exchange or securities market regulator.

CSA Members note that a proposed director at the date of listing may well be the director of an existing listed entity that has been subject to an infringement notice from the Australian Securities and Investments Commission (ASIC), which notice has been accepted without admitting any liability. The proposed director would not, therefore, be able to complete a statutory declaration as required, and would therefore not meet the requirements set by ASX to be judged of good fame and character. This despite being a director of one or more other entities already listed on the exchange, with a solid track record of being a director of good fame and character.

CSA would be keen to hear from ASX as to how such a director would be treated under the new requirement. CSA also seeks further details and clarification of the use of ASX's discretion in making determinations about an individual's 'good fame and character.

I look forward to hearing from you.

Kind regards

A handwritten signature in black ink, reading "Tim Sheehy". The signature is written in a cursive, flowing style with a large initial 'T' and a long, sweeping underline.

Tim Sheehy
CHIEF EXECUTIVE