



# ASX Listed Entities Update

2 April 2014

Update no 03/14

## 1. Release of third edition of the Corporate Governance Principles and Recommendations

On 27 March 2014 the ASX Corporate Governance Council (Council) released the [third edition of its Corporate Governance Principles and Recommendations](#). The third edition seeks to capture and reflect developments, both in Australia and internationally, on the corporate governance front since the second edition was published in 2007.

The Council also released:

- a [communiqué](#) about the third edition which includes a description of the changes;
- a document entitled [Consultation Response](#) summarising the main submissions the Council received on the consultation version of the third edition and explaining the changes it has made in the final version;
- a [mark-up](#) showing the changes made to the consultation version of the third edition to generate the final version; and
- [translation tables](#) showing the linkages between the new recommendations in the third edition and the old recommendations in the second edition, and vice versa.

The third edition of the Principles and Recommendations takes effect for an entity's **first full financial year commencing on or after 1 July 2014**. Accordingly, entities with a 30 June balance date will be expected to measure their governance practices against the recommendations in the third edition commencing with the financial year ending 30 June 2015. Entities with a 31 December balance date will be expected to measure their governance practices against the recommendations in the third edition commencing with the financial year ending 31 December 2015. However, the Council encourages listed entities to adopt the third edition earlier, if they wish.

Some changes are needed to the ASX Listing Rules to give effect to the reforms in the third edition of the Principles and Recommendations. ASX released a supplementary consultation paper on 21 February 2014 in relation to those changes, which is available at <http://www.asx.com.au/regulation/public-consultations.htm>. ASX will be making a separate announcement about those changes after the supplementary consultation process has closed.

It is expected that the Listing Rule changes will come into effect on 1 July 2014 and apply for an entity's first full financial year commencing on or after that date, so as to align with the third edition of the Principles and Recommendations. As with the Principles and Recommendations, the Listing Rules that facilitate the third edition may be early adopted.

## 2. Resource reporting (mining, oil and gas) - ASX Listing Rule annual reporting requirements

New resource reporting ASX Listing Rules, which commenced in December 2013, impose annual reporting requirements on mining and oil and gas entities. The requirements are summarised below. ASX reminds all mining and oil and gas entities to include the relevant information in their annual reports. The below is a summary only. Listed entities are advised to review [Chapter 5 of the ASX Listing Rules](#) which contains more detail.

| ASX Listing Rule            | Summary of requirement   |
|-----------------------------|--|
| <b>Mining entities</b>      |  |
| 5.20                        | <p><b><sup>+</sup>Mining exploration entities</b> must include in their <sup>+</sup>annual report mining tenements held (including by <sup>+</sup>child entities), their location and the percentage interest held in them.</p>  |
| 5.21                        | <p><b><sup>+</sup>Mining entities</b> must include <sup>+</sup>mineral resources and <sup>+</sup>ore reserves statement in their <sup>+</sup>annual report which includes:</p> <ul style="list-style-type: none"> <li>• a summary of the results of the <sup>+</sup>mining entity's annual review of its <sup>+</sup>ore reserves and <sup>+</sup>mineral resources;</li> <li>• <sup>+</sup>mineral resources and ore reserves holdings as at balance date (or other such date) in tabular form reported by: <ul style="list-style-type: none"> <li>◦ commodity type, including the grade or quality;</li> <li>◦ <sup>+</sup>ore reserve category and <sup>+</sup>mineral resource category; and</li> <li>◦ geographical area based on the materiality of the <sup>+</sup>mineral resources and <sup>+</sup>ore reserves holdings to the <sup>+</sup>mining entity;</li> </ul> </li> <li>• if <sup>+</sup>mineral resource and <sup>+</sup>ore reserve holdings are reported at a date other than balance date -- material changes between that date and balance date;</li> <li>• a comparison of <sup>+</sup>mineral resource and <sup>+</sup>ore reserve holdings against that from the previous year (including an explanation of material changes) reported by: <ul style="list-style-type: none"> <li>◦ commodity type, including the grade or quality; and</li> <li>◦ total <sup>+</sup>ore reserves and total <sup>+</sup>mineral resources by geographical area based on the materiality of the <sup>+</sup>mineral resources and <sup>+</sup>ore reserves holdings to the <sup>+</sup>mining entity; and</li> </ul> </li> <li>• a summary of governance arrangements and internal controls applying to its estimates of <sup>+</sup>mineral resources and <sup>+</sup>ore reserves and the estimation process.</li> </ul> |
| <b>Oil and gas entities</b> |  |
| 5.37                        | <p><b><sup>+</sup>Oil and gas exploration entities</b> must include in their <sup>+</sup>annual report, <sup>+</sup>petroleum tenements held (including by <sup>+</sup>child entities), their location and the percentage interest held in them.</p>   |
| 5.38                        | <p><b><sup>+</sup>Oil and gas entities</b> who report to the SEC are exempt from ASX Listing Rules 5.39 and 5.40 if they meet certain SEC annual reporting requirements.</p>   |
| 5.39                        | <p><b><sup>+</sup>Oil and gas entities</b> must include a reserves statement in their <sup>+</sup>annual report which includes:</p> <ul style="list-style-type: none"> <li>• <sup>+</sup>petroleum reserves holdings as at balance date in tabular form reported by: <ul style="list-style-type: none"> <li>◦ total <sup>+</sup>1P <sup>+</sup>petroleum reserves and <sup>+</sup>2P <sup>+</sup>petroleum reserves (split between developed and undeveloped <sup>+</sup>petroleum reserves and by product). If there are material unconventional petroleum reserves the entity must separately identify the portion of the total <sup>+</sup>1P <sup>+</sup>petroleum reserves and <sup>+</sup>2P <sup>+</sup>petroleum reserves reported; and</li> <li>◦ <sup>+</sup>total aggregated <sup>+</sup>1P <sup>+</sup>petroleum reserves and <sup>+</sup>2P <sup>+</sup>petroleum reserves by product and geographical area (split between developed and undeveloped <sup>+</sup>petroleum reserves by geographical area);</li> </ul> </li> <li>• a reconciliation of <sup>+</sup>petroleum reserves holdings against the previous year (by total <sup>+</sup>1P and <sup>+</sup>2P <sup>+</sup>petroleum reserves by product or by total aggregated <sup>+</sup>1P and <sup>+</sup>2P <sup>+</sup>petroleum reserves by geographical area), including an explanation of</li> </ul>   |

|      |  |
|------|--|
|      | <p>any material changes from the previous year;</p> <ul style="list-style-type: none"> <li>● if any material concentrations of undeveloped <sup>+</sup>petroleum reserves in <sup>+</sup>material oil and gas projects have remained undeveloped after 5 years from the date they were initially reported, the <sup>+</sup>oil and gas entity's reserves statement in the <sup>+</sup>annual report for that year and every subsequent year must include: <ul style="list-style-type: none"> <li>○ an explanation of why the undeveloped <sup>+</sup>petroleum reserves have not been developed; and</li> <li>○ a statement of intention with regard to the future development of the undeveloped <sup>+</sup>petroleum reserves;</li> </ul> </li> <li>● a summary of the governance arrangements and internal controls, (including the frequency and scope of any reviews or audits) that apply to its estimates of <sup>+</sup>petroleum reserves and the estimation process.</li> </ul> |
| 5.40 | <p>If the <sup>+</sup>petroleum reserves statement in the <sup>+</sup>annual report includes aggregated estimates of <sup>+</sup>contingent resources it must also include:</p> <ul style="list-style-type: none"> <li>● <sup>+</sup>contingent resources holdings as at balance date in tabular form reported by: <ul style="list-style-type: none"> <li>○ total <sup>+</sup>2C <sup>+</sup>contingent resources by product; and</li> <li>○ aggregated <sup>+</sup>2C <sup>+</sup>contingent resources by product and geographical area;</li> </ul> </li> <li>● a reconciliation of the <sup>+</sup>oil and gas entity's total <sup>+</sup>2C <sup>+</sup>contingent resources holdings against that from the previous year, including an explanation of any material changes in those holdings from the previous year.</li> </ul>  |

Listed entities that fail to meet the above requirements in their annual reports will be required to make supplementary disclosure and may be subject to other ASX enforcement action. If you have any questions please consult your listings compliance adviser.

### 3. ASX online forms for announcing corporate actions - implementation deferred

The implementation of ASX's online forms for announcing certain corporate actions will be deferred from 14 April 2014 until after 30 June 2014. This delay is due to a recently discovered issue with an associated project that is a pre-requisite to implementation of the online forms. ASX will advise listed entities and the market when it has confirmed a new implementation date for online forms. As with the previous implementation date, ASX will ensure that the new implementation date does not coincide with a major reporting deadline for listed entities.

The previously announced training seminars to be held in March and April 2014 will be rescheduled and announced when a new implementation date is confirmed. ASX will still allow a six-month "grace period" in which it will encourage but not enforce use of the online forms. After the six-month period it will be mandatory to announce corporate actions for which an online form exists (dividends/distributions, interest payments, cash capital returns and security splits or consolidations) by filling out and lodging the online form through ASX Online.

The deferral of online forms implementation will not affect the commencement of the new rights issue timetables (including the shortening of corporate action timetables by reducing the ex period) or the new rule regarding Dividend Reinvestment Plan last election date. These changes will still commence on 14 April 2014 as previously advised (see item 4 for further detail).

ASX wishes to thank all the members of the listed entity working group who have attended meetings and

given feedback on system and form design matters over the life of the project to date and to those entities that took the time and trouble to test the online forms system in January and February of this year. ASX will endeavour to make the test environment available again for a short period prior to the new implementation date for online forms.

ASX apologises for any inconvenience caused by this change. If you have any questions please contact Giri Tenneti ([Giri.Tenneti@asx.com.au](mailto:Giri.Tenneti@asx.com.au), +61 2 9227 0594).

#### 4. New rights issue timetables, shortened ex period on corporate actions and new dividend reinvestment plan election date rule

As previously announced, new rights issue timetables (including a shortened ex period on corporate actions) and the Dividend Reinvestment Plan election date rule will commence on 14 April 2014. A summary of the changes can be found in ASX's consultation documents: [Modernising the Timetable for Rights Issues: Draft ASX Listing Rules](#) and [Timetable for Dividends and Distributions: A proposal to prescribe the last election date for a dividend reinvestment plan following the record date](#). A [mark-up of the listing rule changes](#) is also available on the ASX website.

The transition to the new 3 day ex period will apply to the following corporate actions:

- Dividends & Distributions
- Interest Payments
- Pro-rata issues (Renounceable Entitlement Offer)
- Pro-rata issues (Non-Renounceable Entitlement Offer)
- Bonus Issues
- Accelerated pro rata issues (in accordance with paragraphs 5, 6 and 7 of Appendix 7A under the ASX Listing Rules as amended from 14 April 2014)
- Returns of Capital
- Equal Access Schemes and Off-Market Buy Backs
- Reorganisations of capital that are security consolidations or splits (commonly referred to as reconstructions)

The transition will operate as follows:

- Record dates **on or before 17 April 2014** will follow the **old** timetable (5 business day ex period);
- Record dates **on or after 22 April 2014** (ex date 16 April) will follow the **new** timetable (3 business day ex period).

The days 18-21 April 2014 inclusive are all non-business days due to Easter. The reduction in the ex period will NOT apply to calls, conversions and expiries.

#### 5. ASX Market Announcements closes one hour earlier from end of Daylight Saving Time

During Daylight Saving, ASX Market Announcements remains open for an extra hour, until 8:30pm Sydney time, so that its closing time aligns with 5.30pm Perth time.

Daylight Saving ends in all the States where it is observed this year at 3:00am AEDT on Sunday 6 April 2014.

From Monday 7 April 2014, ASX Market Announcements Office will close at 7:30pm Sydney time.

To help keep our Listed Entities informed of information and events ASX will be sending emails to the Company Secretary's Office from time to time. You are receiving this email because you have been identified as a key contact within the Company Secretary's Office at your organisation. If you would like to update your personal details please do so via the Directors/Senior Management page on ASX Online for Companies. Feel free to forward this email to any relevant parties within your organisation.

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