



legal compliance newsletter

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No significant changes to ASX governance guidelines

Thursday, 02 August, 2007

No drastic changes have been made to the Australian Securities Exchange's principles-based corporate governance guidelines, which were updated today.

The ASX said public submissions showed strong support for the 'if not, why not' approach to disclosure, where companies are allowed to ignore some of the guidelines as long as they provide a good reason for doing so to security holders.

Some of the changes that were made included removing 'Best Practice' from the formal title of the guidelines, to eliminate any perception that the principles are prescriptive, and providing a list of director's relationships that should be considered when providing an explanation to security holders of a director's independence.

ASX's corporate governance council has also recommended that companies' trading policies would prohibit hedging unvested options, and that any hedging of vested options should be disclosed.

As well as finding strong support for the 'if not, why not' reporting approach, ASX also found enthusiasm for sustainability and corporate social responsibility (CSR) issues.

The new principles become effective on 1st January 2008 and reflect investigations of more than 100 submissions received between November 2006 and February 2007.

Source: AAP

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