

# Media Release

20 May 2010

## Director Share Trading: Regnan Commends Latest Progress

Regnan welcomes the release of ASX Market Supervision's (ASXMS) Q1 2010 review of disclosure of Directors' Interest Notices, and the news that 94.8% of Directors' Interest Notices were lodged on time between 1 January and 31 March 2010.

This is the highest level of compliance with Listing Rule 3.19 achieved since Regnan began looking at this issue in 2004. While past practices have been cause for concern, Regnan is encouraged by this upward trend in compliance.

"The ASX Market Supervision unit and the director community should be commended for this upward trend in compliance," said Erik Mather, Regnan Managing Director.

Transparency and governance around director share trading is an important issue that is core to market integrity and the institution of directorship.

"ASXMS' surveillance and enforcement work, as evidenced by this most recent review, is an essential part of ensuring the integrity of Australia's capital markets," Mr. Mather said.

While the timeliness with which changes in directors' holdings is reported is important, the greater concern is how directors' dealings are managed during crucial 'blackout periods', which are those times between books-close and results-release or other times when it could be reasonably assumed that directors are in possession of inside information.

"We therefore await in anticipation the ASXMS' customary later review of directors' trading during the blackout period that analyses how many directors actively traded during blackout periods; a behaviour that institutional investors believe is not consistent with leading governance practice," Mr. Mather said.

Regnan notes that the ASX has recently released draft listing rule amendments governing listed entity policies on share trading 'windows' and 'blackout periods'. Regnan expects that these amendments, together with ASXMS' ongoing surveillance, would produce further gains in market integrity.

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### **About Regnan**

Regnan – Governance Engagement & Research Pty Ltd was formed in 2007 out of the proven engagement model and resources of BT Financial Group's Governance Advisory Service. Regnan is owned by eight major institutional investors: ARIA; BT Investment Management; Hermes (UK); HESTA Super; NSW Local Government Superannuation Scheme; Vanguard; VicSuper; and Victorian Funds Management Corporation. Regnan provides company engagement services to institutional investors and research on companies' Environmental, Social and Corporate Governance performance for mainstream funds management.