



MEDIA RELEASE

Regnan Governance Research and Engagement

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DIRECTOR SHARE TRADING: LATEST ASXMS REVIEW DEMONSTRATES PROGRESS

Regnan strongly commends the ASX Market Supervision's release of its most recent review of trading by directors during the three months between 1 July 2008 and 30 September 2008, as evidence of effective supervision by ASX of director share trading.

ASXMS's findings for the September 2008 quarter reveal that since the March quarter of 2008, initiatives to improve company directors' compliance with ASX Listing Rules have been successful in improving the timely lodgement by listed entities of Directors' Interest Notices. This is highlighted by the halving of late notifications in breach of ASX Listing Rules from 13% to 6.4%.

The market would also be keen to understand how many directors have actively traded between books-close and results-release; a behaviour that leading institutional investors believe is not consistent with leading governance practice. While ASXMS's review of the 2008 March quarter revealed a concerning 795 active trades occurring between books-close and results-release, it is understood that ASXMS are continuing to finalise this significant piece of analysis for the latest period.

Leading institutional investors regard lodgement of Directors' Interest Notices as integral to market integrity. Each day, leading brokers communicate director share trades to their clients, including fund managers, who factor director share trading into their buying and selling decisions. Timely release of this information is therefore a part of an efficient and informed market.

Notwithstanding ASXMS's vigilance over share-trading, it remains incumbent upon all directors to ensure the integrity of their share trading and its timely disclosure to the market.

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About Regnan

Regnan 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 VFMC. Regnan provides company engagement services to institutional investors and quantitative data on company Environmental Social and Corporate Governance performance for mainstream funds management.