



8 June 2016

ASX Limited
20 Bridge Street
Sydney
NSW 2000

Private and confidential

Attention James Posnett
Manager, Listings Business Development

By email: james.posnett@asx.com.au

Dear James,

Compliance Issues – ASX Foreign Exempt Listed Issuers

Thank you for agreeing to engage with the New Zealand Listed Companies Association Inc (**LCA**) about ongoing compliance obligations of Foreign Exempt Listed (**FEL**) issuers.

As you will recall from our submissions on the FEL changes, the LCA is an independent, voluntary non-profit organisation providing a forum for discussion and exchange of views on issues of importance to New Zealand listed (and dual-listed) companies. The current Executive Committee of the LCA comprises representatives from both NZX and dual-listed companies and law firms.

The LCA has been made aware there is a reasonable amount of uncertainty from FEL issuers about their ongoing filing obligations upon conversion to a FEL status. The LCA has engaged directly with the majority of FEL issuers and the contents of this letter reflects the feedback received.

We note that ASX has already provided some additional guidance on these matters by way of ASX Listed updates, including confirming that an Appendix 3A.1 is required for declaring and paying a dividend; and by providing advice directly to FEL issuers both via email and as a condition of the FEL conversion. It appears that there has been a lot of one-on-one correspondence between individual issuers and ASX to obtain clarity on the ongoing filing requirements of a FEL issuer, and FEL issuers were appreciative of the high level of engagement and support they were receiving from their ASX adviser.

Despite this level of engagement from ASX, there remains a degree of uncertainty and this will continue to be an issue for new companies that become a FEL issuer in the future. Accordingly, it would be helpful for ASX to create a table of appendices indicating “yes”, “no” or “only if a condition of listing” as to whether each ASX Appendix needs to be filed by FEL issuers. Consolidating this guidance into one place would be helpful for all FEL issuers, particularly those that have recently converted to a FEL status.

Some FEL issuers also raised more specific questions in relation to the ongoing application of certain ASX appendices, which we would appreciate your guidance on. These were as follows:

1. Disclosure of security interests by directors and managers

Directors and senior managers are required to disclose their relevant interests in quoted financial products, and certain derivative instruments, to the NZX by the Financial Markets Conduct Act 2013. Under the ASX listing rules only directors are required to disclose their relevant interests to ASX. In light of the requirement for FEL issuers to disclose to ASX the same information that they disclose to their home exchange (NZX), issuers would appreciate confirmation as to whether ASX expects director and senior manager disclosures prepared under the New Zealand legislation to be released on ASX as well as NZX going forward, despite these filings being the obligation of the individual director/senior manager, not the issuers (so ASX listing rule 1.15.2 does not strictly apply).

2. Substantial security holder notices

Similarly, if a substantial security holder only files a substantial security/product holder notice on NZX but not ASX, can you please confirm that issuers are under no obligation to then republish that notice on the ASX (since, again, rule 1.15.2 does not strictly apply).

3. Appendices 4D and 4E – Results for announcement

Please confirm that the Appendices 4D and 4E are no longer required and the NZX Appendix 1, which contains equivalent information, can be filed on ASX instead. It appears this is the case.

4. Compliance with home listing rules (ASX LR 1.15.3)

Please confirm whether the confirmation required by ASX rule 1.15.3 could be combined into another document released as part of an FEL issuer's full-year earnings announcement, such as the annual report or NZX Appendix 1 (the equivalent of the ASX Appendix 4E).

5. Appendix 3B – Issue of new securities

Please confirm whether an Appendix 3B is still required for new issues by FEL issuers (we note that this is a condition of FEL conversion for some issuers). The Appendix 3B is used routinely for rights issues and DRP issues. In the case of a share buyback, would you please confirm that the appropriate documents are an Appendix 3B (and all other NZX filings) and nothing further is required.

We also query why FEL issuers that are primarily listed on NZX do not qualify for the lower fee tier applying to FELs that are listed on other exchanges, as reflected in Guidance Note 15A (Page 2, footnote 2).

We are happy to discuss these issues further with you and how it might be best to clarify compliance requirements with ASX Foreign Exempt Issuers

Yours faithfully,



Sarah Miller
Chairman
Listed Companies Association

About the LCA

Established in 1981 the LCA (listedcompanies.co.nz) is an independent, voluntary non-profit organisation providing a forum for discussion and exchange of views on issues of importance to New Zealand listed companies. The LCA's main purposes are to:

- Help issuers further the long-term interests of their shareholders by working for a fair, adequate, and efficient regulatory system;
- Help issuers maximise the benefits of listing and to make the requirements that come with that status appropriate and reasonable to comply with; and
- Promote confidence in, and growth of, business and capital markets in New Zealand.

The LCA's members are NZX Main Board, NXT, NZAX, NZDX and dual listed issuers.