



MEDIA RELEASE

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New disclosure laws - A curates egg

Australian Shareholders Association's (ASA) Allan Goldin said "Today's announcement by the Treasurer is a mixed bag of good, bad and the need for more information.

GOOD, "I personally dislike Virtual AGM that allows Chairmen to effectively dodge any real questions and offer any answer they feel like as there is no comeback is still there until September 15. Then we return to the real world of Directors and management being held accountable once a year to their owners, the shareholders" Goldin said.

"Companies will be encouraged to trial the best form of AGM, a HYBRID AGM which combines in-person meetings and live streaming of the meeting over the internet (which ASA has run for 3 years). This form of meeting will allow real follow up questioning to take place, while at the same time those anywhere in the world can also ask their questions in real time. This is a good measure" Goldin added.

MORE INFORMATION PLEASE. The temporary measure of allowing all corporate correspondence to be sent electronically will become permanent. "This is fine if that is the default position, provided that the shareholder can still request a paper copy of notices, reports and proxy forms. Not every shareholder has or wants access to the internet so their needs must be met. We made this clear in our submission to Government" said Goldin.

BAD is the change in continuous disclosure regulations. "Previously if there was any failure to keep the market informed under the current 'Continuous Disclosure' rule, it was a simple black and white situation, don't tell shareholders something material and the Company and its Directors were liable. This was great for shareholders because they do not have insider or special interest knowledge and all they know is what they are told and what they read."

The fact that Directors could be held personally liable was a great incentive to ensure that Companies behaved in a correct manner and kept the market informed. Now the pressure is taken off. Directors, they no longer need to ensure 'Continuous Disclosure' is enforced. As ASIC says "the continuous disclosure regime is a fundamental tenet of our markets", this must not be watered down " said Goldin.

"So the new instruction to management from Boards could be, if you want to keep some information to yourself or exaggerate a bit just make sure you don't tell me so no one can sue me" this is a real danger Goldin concluded.

- ENDS -

Allan Goldin

Chair

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Australian Shareholders' Association (ASA) is the only independent, member-funded, not-for-profit organisation that educates shareholders to become better investors and focuses on driving improvements in transparency and accountability of corporate behaviour in Australia.