

Brief update on other activities

The Executive has been busy working on a number of areas as follows:

a. Directors & Officers Disclosure Regime - I have been advised by MED that we should see regulatory change in this area prior to Christmas.

b. Annual Report changes - The Business Law Reform Bill has now been passed. The Companies Act changes in the area of annual reports provides a real opportunity for companies to totally reconsider how they deliver annual reports to shareholders. You should be getting together with your communications and investor relations people now to consider the opportunity that these changes present. Once the regulations are implemented, companies will no longer have to automatically deliver a hard copy annual report to shareholders. Essentially we will have an 'opt-in' regime. This means that only shareholders who specifically request a hard copy annual report will be required to be sent one. The legislation also provides the opportunity to send a concise annual report. There are a number of notice requirements and timing issues that must be adhered to so you need to review these carefully. The MED is still working on the regulations which will set out what must be contained in a concise annual report. The LCA Executive has been acknowledged by the MED for all the assistance it has given MED on reviewing the legislation and providing suggested amendments. We are now assisting on the regulations but in essence all of this will be in place for companies delivering an annual report for the year end 30 June 2007. It may be of interest to you that NZ has beaten Australia to the post on this one however similar legislation will be in place in Australia some time next year.

c. Review of Financial Products - we have received a briefing from the MED on the Discussion Documents on the Review of Financial Products and Providers. We will be making submissions on some aspects of the documents.

d. Insider trading regime - LCA will be developing a template Insider Trading Policy for listed companies now that the Securities Markets Act amendments have been passed. We will be running a seminar on this subject early in 2007 by which time the relevant regulations should also have been passed. We will keep you informed on both of these matters.

e. Renewing your LCA membership - Welcome to new members and thanks to our old members who have renewed their membership. For those of you who haven't renewed your membership, we would be pleased if you would do so as soon as possible.

f. Link Market Services & Computershare presentation - Many thanks to those of you who came along to the recent presentation by Link Market Services and Computershare. The presentation gave us an opportunity to hear about the different approaches and styles of both registries. We will be planning other member events for 2007.