Ashurst London
February 2016

ashurst

Corporate briefing

2016 AGM and reporting season: what to expect

This briefing summarises developments for companies to consider when preparing for their 2016 annual general meetings (AGMs) and compiling the narrative aspects of their accompanying annual reports and accounts. It is aimed principally at premium listed companies and it may also be useful for AIM companies which choose voluntarily to comply with the 2014 UK Corporate Governance Code (2014 Code) and/or any other aspects of legal or regulatory requirements applying to listed companies.

Since our 2015 AGM season briefing, there are few new AGM developments to report. The main development is the revised Pre-Emption Group principles issued in March 2015. Companies seeking the additional five per cent pre-emption disapplication authority that is now permitted should amend the resolution and its explanatory notes. Matters that we cover in this briefing include: changes to the pre-emption dis-application resolution and to the buyback resolution; notifications relating to financial reporting standards; changes to articles of association; shareholder requisitioned resolutions; and vote results announcements.

On the narrative reporting front, there are no surprise new developments and most have been flagged for some time. Matters that we cover include: the new viability statement required by the 2014 Code and now also by the Listing Rules; the reporting requirements of the Competition and Markets Authority 2014 Order on statutory audit services; developments with EU statutory audit reforms; updated voting guidelines and principles from bodies representing institutional shareholders and others and various regular and ad hoc reports from the Financial Reporting Council (FRC).

As well as covering 2016 AGM and narrative reporting issues, we look at 2017 and beyond for those who want to look ahead, or be early adopters. We end with an appendix of key 2015 publications and links to them which may be useful to companies both for the 2016 AGM and reporting season and also more generally.

Contents

2016 AGM issues

2016 AGM issues

- Changes to the pre-emption disapplication authority resolution and its explanatory notes
- MAR and the buyback resolution
- Changes to articles of association
- Shareholder requisitioned resolutions
- Notification to shareholders on Financial Reporting Standards (FRS)
- Vote results announcements in the event of significant voting dissent – E.2.2
- Timing for notices of general meetings other than AGMs – E.2.4

Changes to the pre-emption disapplication authority resolution and its explanatory notes

As mentioned in our March 2015 Quoted Company Newsletter, on 12 March 2015 the Pre-Emption Group updated its Statement of Principles (the principles) for the disapplication of pre-emption rights. The principles provide guidance to companies and shareholders on factors to take into account when considering whether to dis-apply pre-emption rights.

Key changes in the Pre-Emption Group principles

- Clarification that the principles apply to both UK and non-UK incorporated companies with a premium listing.
- A statement that the principles apply to all issues of shares undertaken to raise cash (for the company or its subsidiaries) irrespective of the legal form of the transaction and that, for example, a "cash-box" transaction, although structured to fall outside the scope of statutory pre-emption, is nonetheless regarded as being an issuance of equity securities for cash and so covered by the principles.
- A new provision that, in addition to the usual five per cent general disapplication that is commonly sought at AGMs, an additional five per cent general disapplication is now allowed but with limitations as to its use. A company must confirm that it will only use the additional five per cent disapplication in connection with an acquisition or a "specified capital investment" announced at the same time as the relevant share issue or which has taken place in the preceding six months and is disclosed in the announcement of the share issue.

On timing, the press release accompanying the principles encouraged companies and investors to begin using them from the date of issue. However, it also acknowledged that some flexibility may be required as the 2015 AGM season was, at that time, imminent. So, while some companies sought the additional five per cent disapplication authority in 2015 (approximately 77 companies from FTSE 350 company AGM notices published on or before 30 October 2015 according to Practical Law's "Annual Reporting and AGMs 2015" report), others deferred the decision until this season. We are not aware that companies met much if any opposition to the taking of this additional authority.

Companies seeking to take advantage of the additional five per cent pre-emption disapplication authority will need to alter the figure in the disapplication authority resolution and its explanatory notes in their AGM notice and add the confirmation wording as to the limited use of the additional five per cent authority.

One subsequent development to note is that in September 2015 the Investment Association and the then National Association of Pension Funds issued a press release stating that Glencore plc had seriously breached the principles. The company had sought and received authority for the additional five per cent authority at its AGM in May 2015 and in so doing had confirmed that it would only use it for the limited purposes permitted. Following that, in breach of that commitment, it used the additional five per cent towards a placing to limited participants to reduce its debt and increase its financial strength.

It is worth noting that, while acknowledging the need for flexibility and early dialogue with shareholders where there is an intention to undertake a non-pre-emptive issue, the principles also warn that companies that do not comply with them are "*likely to find that their shareholders are less inclined to approve subsequent requests for a general disapplication*".

See the Statement of Principles and the Investment Association press release for more on this.

MAR and the buyback resolution

The new EU Market Abuse Regulation (2014/596/EU) (MAR) will repeal the EU Buyback and Stabilisation Regulation 2003. This, including its safe harbours, will be replaced by European Securities and Markets Authority (ESMA) regulatory technical standards, currently in draft. We will monitor law and practice on this and in the meantime it is advisable to update the buyback resolution to remove references to the 2003 Regulation if included (although leaving in the description of the maximum price, which we expect to remain unchanged).

Changes to articles of association

Practice in 2015. As with 2014, relatively few companies amended their articles of association in 2015. Again, the most common change to articles was to increase the cap on non-executive director fees. Companies need to keep their articles under review as, for example, borrowing limits and non-executive director fee limits may need increasing periodically.

Changes for more flexibility on dividend payment methods. In our 2015 season briefing, we noted that in April 2014 the ICSA Registrars' Group had published guidance entitled "Practical Issues Around Articles of Association Relating to Dividend Distributions" including example wording for articles of association.

The ICSA Registrars' Group recommendations on dividend distribution provisions in articles

- On IPO articles, the example wording should be included. (Here there is no "shareholder vote", so no risk of shareholder complaints).
- Already listed or traded companies should consider amending their articles to include the example wording "*the next time they decide to change their articles*". (In such cases the accompanying circular will need to explain to shareholders that the effect of the change is that the directors will have power to specify a particular payment method and to withhold payment until relevant electronic details, e.g. bank account details, are provided.)

We noted that it is for existing listed or traded companies to decide whether they want to make this change now, later or not at all. For example, for a company with a large number of shareholders who take dividend cheques, the savings may be such that it merits considering whether or not to make this change (bearing in mind possible PR issues). We also noted that it may be preferable to wait until a certain momentum has built up behind this change, rather than be at the forefront, unless a company feels such a proposal is not likely to cause serious objections. For 2014 we were aware of only one company that had made this change to its articles.

From 2015, we are aware of eight companies who have changed their articles to permit this flexibility in dividend payment methods, although we are not aware of any that has yet invoked the new power to set a particular default method. Of the eight, five say in their AGM notices that they have no current intention to do so, one notes that the changed articles will allow it to do so as and when different payment methods are adopted by the market and two are silent.

Shareholder requisitioned resolutions

In 2015, shareholder requisitioned resolutions, supported by the boards, were successful at BP plc and Royal Dutch Shell plc. Both resolutions were championed by the "Aiming for A" investor coalition that describes itself as supporting companies for their low-carbon transformation. The coalition secured the requisite shareholder support for its "*supporting but stretching*" resolutions for the companies to disclose more on their preparations for their low carbon transition. So far this season, there have been reports that the coalition is engaging with Anglo American plc, Glencore plc and Rio Tinto plc on shareholder resolutions.

Shareholder notifications on Financial Reporting Standards (FRS)

A reminder that companies intending to keep UK GAAP (rather than IFRS) for their *individual* accounts, in order to use the FRS 101 Reduced Disclosure Framework or the exemptions in FRS 102, if they have not already notified all their shareholders in writing (and many companies did do this in last year's Notice of AGM), should do so now before preparing their year-end accounts. The notification needs to comply with the requirements in FRS 101/2 as applicable and the company's auditors should preferably comment on the wording. Note that the above only covers the parent company. Each subsidiary which adopts FRS 101/2 must also notify its shareholders in writing, again complying with the requirement of FRS 101/2 as applicable, as auditors are likely to insist on seeing that this has been done.

Vote results announcements in the event of significant voting dissent

In our 2015 season briefing, we wrote about a change to E.2.2 of the 2014 Code on engagement with shareholders in the event of a significant vote against a resolution at a general meeting (not just AGMs).

Amended E.2.2 (last line)

- When, in the opinion of the board, a significant proportion of votes have been cast against a resolution at any general meeting, the company should explain when announcing the results of voting what actions it intends to take to understand the reasons behind the vote result.

In its recently issued Annual Report on Developments in Corporate Governance and Stewardship 2015 (for more detail on this report, see the section below on 2016 narrative reporting issues), the FRC says "*We expect to see a sizeable increase in reporting within AGM announcements in 2016*".

For this reason, it is worth reiterating briefly some of the points we mentioned in our 2015 season briefing.

Key points on E.2.2 (last line)
• **Shareholder engagement**. Asking companies to state what actions they intend to undertake to understand the reasons behind the vote is about changing behaviours so that companies explain how they intend to engage with shareholders (not how they will respond to the concerns raised, which would be difficult so soon after the meeting). • **"Significant**". This is not defined. GC 100 and Investor Group guidance on directors' remuneration reporting, in providing guidance in relation to remuneration resolutions where there has been a significant percentage of votes against, states that companies "*may wish to consider 20 per cent as being significant, although there may be reasons why, for some companies a higher or lower percentage may be more appropriate*". The FRC does not contradict this; in its annual governance/stewardship report mentioned above, it chooses 20 per cent as "*an indicative and high threshold*", noting that "*it is for directors to judge significant in the circumstances of the share ownership of their company*". Institutional Shareholder Services (see later for more on them) state that they will use 20 per cent as the trigger point for their analysis on this issue. • **Votes against / votes withheld?** Whilst the 2014 Code talks about "votes against", the Pensions and Lifetime Savings Authority (the former National Association of Pension Funds) still goes further and wants votes withheld included as well. The GC 100 and Investor Group guidance notes that companies may wish to consider votes withheld as well, but again only strictly in relation to the required disclosure on remuneration votes.

Timing for notices of general meetings other than AGMs

While not relating to AGMs, in our 2015 season briefing, we covered the change to E.2.4 of the 2014 Code whereby for general meetings (other than AGMs, for which the provisions remain unaltered) notice of the meeting should be sent to shareholders at least 14 *working* days in advance. We noted that this change was not consulted on and that there are potential problems with it. By way of update, it is useful to note the publication, in April 2015, of the Institute of Chartered Secretaries and Administrators' (ICSA) guidance on this.

Key elements of the ICSA guidance on E.2.4
• While companies should aspire to give the longer notice period set out in E.2.4, the legal requirement for a valid notice is the shorter, statutory period. • It is helpful for shareholders to receive as much notice as possible. • Where companies are not able to meet the provision, this should be explained in the next annual report in the same way as any other departure from the Code. • As a general rule, ICSA only expects the shorter notice period of the 2006 Act to be used where there is a need for urgency. • The FRC is keeping E.2.4 under review.

2016 narrative reporting issues

2016 narrative reporting issues
• The viability statement – C.2.2 of the 2014 Code and LR 9.8.6(3) • CMA order on statutory audit - extra audit committee reporting • Updated institutional guidance – UK and US groups • FRC publications • Brexit • Miscellaneous – changes to DTRs; deletion of section 410 of the 2006 Act; the Modern Slavery Act 2015

The viability statement – C.2.2 of the 2014 Code and LR 9.8.6R(3)

In our briefing on the revised 2014 Code and associated guidance, we reported on the 2014 Code published by the FRC in September 2014 along with related documents, including its merged and updated guidance on risk management, internal control and related financial and business reporting (the new risk guidance). The 2014 Code and the new risk guidance apply to accounting periods beginning on or after 1 October 2014. For most companies, this means disclosing compliance or explaining non-compliance in their 2015 accounts published this year.

As we noted, the key areas of change in the 2014 Code, which relate to risk reporting, are new Code provisions C.2.1 (robust assessment of principal risks) and C.2.2 (viability statement).

C.2.1 and C.2.2
• **C.2.1**. The directors should confirm in the annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. The directors should describe those risks and explain how they are being managed or mitigated. • **C.2.2**. Taking account of the company's current position and principal risks, the directors should explain in the annual report how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate. The directors should state whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.

Looking at viability statements that we have seen so far (5 early adopters and 19 companies with 30 September year-ends), we can generally say:

C.2.2 – viability statement practice so far
• Most companies are putting their viability statement in the strategic report, with just a few placing it in the directors' report. • Most companies are choosing to cover either three or five years, with three years the most popular. • More include qualifications/assumptions than do not.

A final point to note is that, following on from its Quarterly Consultation No. 9, the Financial Conduct Authority (FCA) issued Handbook Notice No. 26 in October 2015. It confirms that the C.2.2 viability statement is now incorporated at amended LR 9.8.6R(3). Incorporating C.2.2 as a mandatory listing rule means explanation of non-compliance is not an option without breaching the Listing Rules. LR 9.8.6R(3) also provides that the statement is to be prepared in accordance with the FRC's new risk guidance. The changes came into force in October 2015 with transitional provisions such that the updated LR 9.8.6R(3) applies to annual financial reports of listed companies for accounting periods ending on or after 30 September 2015.

CMA order on statutory audit - extra audit committee reporting

In our 2015 season briefing, we wrote about the Statutory Audit Services for Large Companies Markets Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order) published by the Competition and Markets Authority (CMA). The Order came into force on 1 January 2015 for financial years beginning on or after that date (subject to transitional provisions as regards mandatory competitive tendering of the audit contract). It applies to FTSE 350 companies from the date they enter the FTSE 100 or 250 indexes until the date they cease to be a FTSE 350 company.

While the main element of the Order concerns the requirement for FTSE 350 companies to re-tender the audit contract through a competitive tender process at least every ten years, it is important not to forget the extra reporting that the Order requires and that will need to feature, for example for 31 December year-end companies, in their 2015 annual reports and accounts (see the table below).

CMA Order – additional reporting
• **Information on intention to re-tender**. To require that if a Competitive Tender Process (CTP) under the Order does not take place within five consecutive financial years, the audit committee must, in its audit committee report covering the fifth and following financial years until there is a CTP, state when the company intends to complete one and why this period is in the best interests of shareholders. • **Compliance with the Order**. To require the audit committee report to give a statement of compliance with the Order.

See the CMA website with the Order for more. Note also the Institutional Investor Committee website for its 2014 paper "The Audit Tendering Process – the Expectations of Institutional Investors".

Inextricably linked to this area are the EU statutory audit reforms, which apply to *all* listed companies, progress on the UK implementation of which continues. See the "Developments for 2017 or later" part of this briefing for more on these and related proposed changes to the 2014 Code. Although companies should consult with their auditors on this, it should be noted that these EU changes may require some companies to re-tender the audit contract so that the new audit engagement (whether new auditors or the same ones) takes effect in relation to the financial year beginning on or after 16 June 2016, i.e. in readiness for the AGM in 2017.

Updated institutional guidance – UK and US groups

The Investment Association (IA) – revised principles of remuneration. The IA has published its annual update of its Principles of Remuneration, November 2015 (the remuneration principles). The remuneration principles set out the IA's views on the role of shareholders, directors and remuneration committees in relation to remuneration including on policy and structures.

The only substantive change is a strengthening of the statement that, for equity based, long-term incentives awards, the total performance period and holding period combined should be at least five years.

The IA also made a variety of additional points in a covering letter to remuneration committee chairmen noting issues of concern to shareholders. These include that basic salary increases for executive directors should be limited to inflation or the increase being given to the general workforce, all salary increases should be justified with clear and explicit rationale and also, as regards bonus disclosure, targets should either be disclosed retrospectively at the end of the year or companies should commit to disclosing them in full at a specified future date.

For more see the IA Principles of Remuneration and the accompanying letter.

The Pensions and Lifetime Savings Association (PLSA) – revised corporate governance policy and voting guidelines. In October 2015, the PLSA changed its name from the National Association of Pension Funds (NAPF).

In November 2015, the PLSA issued its 2015/16 Corporate Governance Policy and Voting Guidelines (the PLSA guidelines). The aim of the PLSA guidelines is to assist PLSA members (within the occupational pensions industry and including major institutional investors) to promote the long-terms success of the companies in which they invest and hold their boards and management to account.

PLSA guidelines – key updates relating to resolutions and disclosures

- **Where is the workforce in corporate reporting?** Corporate reporting should enable an investor to understand how the company is maximising the long-term value of its human capital. Workforce composition and the sustainability of the employment model warrant further transparency to enable a more holistic view of risks and opportunities to be taken.
- **Time commitment of non-executive directors (NEDs).** The time commitment of a chairperson may be questioned where he/she is a director of more than four companies and/or a chair of two or more global and highly complex companies. For other NEDs, for complex companies it may be appropriate to vote against his/her re-election if he/she holds more than four directorships and in the case of NEDs who chair key committees a stricter view may be adopted, especially if he/she is a director of two or more heavily regulated companies.
- **Signalling non-pre-emptive shares issues.** Companies should signal clearly their intention to undertake a non-pre-emptive share issue at the earliest opportunity and keep shareholders informed about an application to disapply pre-emption rights. (Shareholders in turn should review the company's case on its merits.)
- **Dividend policy disclosure**. Dividend policy disclosure should be specific enough to enable an understanding of what the policy means in practice including the basis for deriving the proposed level of dividend. It should also describe the governance process over the decision, the risks and constraints associated with the policy and the timeframe of the policy.
- **Market purchases of shares**. When a company is demonstrating that a repurchase is an appropriate use of cash resources, it should, among other things, provide investors with an understanding of the process used to identify when it is appropriate and link to the overall capital management framework of the company. Companies should also give certain summary information of shares repurchased.
- **Shareholder requisitioned resolutions**. Management should comprehensively outline their position on requisitioned resolutions and be available to engage with shareholders. (Shareholders should consider supporting proposals that protect or enhance shareholder rights and transparency and that are aimed at improving the company's reputation and/or long –term sustainable success.)

Read the PLSA 2015/16 corporate governance policy and voting guidelines for more.

Institutional Shareholder Services - UK and Ireland proxy voting guidelines 2016. Institutional Shareholder Services (ISS) is a US-based provider of corporate governance services, issuing proxy research and vote recommendations. We first wrote about ISS in our 2015 AGM and reporting season briefing, after ISS started to operate a standalone policy for the UK (having previously used the then NAPF guidelines). The ISS guidelines aim to assist institutional investors in meeting their responsibilities with respect to voting by promoting shareholder value creation and risk mitigation at their portfolio companies.

ISS has published its proxy voting guidelines and 2016 benchmark policy recommendations for the UK and Ireland which are effective for shareholder meetings on or after 1 February 2016. Key areas that ISS highlight as having been updated in relation to the UK include the following.

ISS guidelines - key updates

- **Director elections and "overboarding**". New guidelines on when an adverse recommendation for "overboarding" (being on too many boards) may be appropriate.
- **Support for revised pre-emption principles.**
- **Authority for short notice**. New and strengthened guidance that if this authority is used inappropriately by calling short notice meetings which are not obviously time sensitive, ISS may recommend against the vote at the next AGM and clarification that an appropriate use of this authority is in circumstances where time is of the essence.
- **Support for disclosure of the response to significant voting dissent**.
- **Smaller companies brought into scope of more of ISS's guidelines**. ISS's core policy applies to FTSE All Share companies. Its smaller companies approach applies to FTSE Fledgling and AIM companies. This year, it is applying more of its guidelines to smaller companies and providing more detail and clarity on its approach to them.

Read the ISS guidelines and policy updates for more.

Glass Lewis - 2016 UK proxy season guidelines. Glass Lewis is another US-based provider of global governance services including proxy research to assist institutional investors to engage with the companies in which they invest.

In December 2015, Glass Lewis issued its UK guidelines for the 2016 proxy voting season. Key areas of change include a more rigorous policy on director "overboarding"; a strengthened policy on audit and non-audit fees; updating and strengthening of the policy on board diversity (noting the new best practice of 33 per cent women on boards by 2020 for FTSE 350 companies); support for the revised Pre-Emption Group principles for the dis-application of pre-emption rights; and updated and clarified policy in a few other areas.

One other point to note, although not a change of policy for Glass Lewis, is that they continue to recommend against any proposal that seeks to reduce the notice period for general meetings below the 21 days of the EU Shareholder Rights Directive. They continue to believe that 14 days is "*insufficient for shareholders to weigh the complicated and highly consequential issues that may be presented at a general meeting*".

GC 100 and Investor Group remuneration reporting guidelines and 2015 statement. The position here is much the same as stated in our 2015 AGM season briefing. The relevant guidelines remain the October 2013 guidelines plus the 2014 update. The Group has decided not to update the guidelines this year, considering that they continue to serve their purpose, but will be undertaking a full review at some point in 2016.

The vast majority of companies that passed their first directors' remuneration policy resolution in 2014 and those that chose to update/change their policy and so re-put the resolution in 2015, will not need to put the resolution this year. Given the requirement to put the policy resolution at least every three years, 2017 will be the year that many companies (but not those that put the resolution in 2015, unless they voluntarily choose to) will need to put a fresh vote to shareholders on remuneration policy.

FRC publications

FRC annual report on developments in corporate governance and stewardship 2015. In January 2016, the FRC published its annual report looking at corporate governance and stewardship in 2015 (the annual governance/stewardship report). It has four main purposes: to give an assessment of corporate governance and stewardship in the UK; to report on the quality of compliance with, and reporting against, the 2012 Code (and the Stewardship Code, although not covered in this briefing); to give an assessment of the quality of engagement between companies and investors; and to indicate to the market where the

FRC would like to see changes in governance behaviour or reporting.

As in previous years, there is little in the report that impacts on AGMs and more on narrative reporting.

FRC annual governance/stewardship report – areas to note on narrative reporting

- **Slightly lower overall compliance with the Code**. This appears to result from a combination of newly floating companies and also FTSE 100 firms deciding to wait for the finalisation of the implementation into UK law of the EU statutory audit reforms. The FRC expects to see a significant improvement in reporting next year on disclosure of timing of the next audit tender.
- **Boardroom diversity.** The importance of wider aspects of diversity other than gender is noted.
- **Fair, balanced and understandable**. While more companies make this confirmation, the FRC states that "*providing further transparency around how the board has reached its judgment may assist investors' understanding*".
- **Non-compliance explanations**. On B.1.2 (half the board to be independent NEDs), a reminder that companies should explain what mitigating actions they have taken to ensure a sufficient degree of independence is maintained. On A.2.1 (combined chairman and CEO), the FRC notes that companies with long-standing breaches provide little detail on mitigations.

See the FRC annual governance/stewardship report for more.

FRC corporate reporting review annual report 2015. In October 2015, the FRC corporate reporting review published its annual report 2015 (the corporate reporting annual report). It is based on a review of 252 annual accounts published before 31 March 2015 and led to the FRC writing to 76 companies reviewed for further information or explanation (with 24 arising as a result of third party complaints or referrals).

The corporate reporting annual report is written primarily for those with board-level responsibility for preparing annual reports. It includes the FRC's assessment of the state of corporate reporting. It explains how and why it interacts with companies and what it expects in company responses. It looks at the issues the FRC most frequently raises with companies and also its areas of future focus. Although most of the corporate reporting annual report centres around financial statement issues which we do not cover in this briefing, we set out briefly areas worth noting on narrative reporting, and which remain generally similar to messages in previous years.

FRC corporate reporting annual report – key messages on narrative aspects

- **Smaller listed and AIM companies**. A continued need to assist smaller listed and AIM companies to improve the quality of their financial reporting. Smaller companies are more likely to have inadequate explanation of their results and principal risks.
- **Companies Act 2006 disclosures**. A reminder to companies of the need to comply with the Companies Act 2006 including in particular disclosures on greenhouse gas emissions.
- **Strategic report**. For example, reminding companies of the need for the strategic report to be fair, balanced and comprehensive; to cover not just the year's performance but also the position at the year-end; and to be consistent with the company's business model.
- **Clear and concise reporting and materiality**. For example, removing extraneous material yet considering the application of materiality carefully including not using materiality to conceal errors or achieve a particular presentation.
- **Future areas of focus – tax risks**. Among other things, disclosures of tax risks are increasingly important, given tax uncertainties from recent challenges by global and European institutions and national governments.

See the FRC corporate reporting review annual report 2015 for more.

FRC end-of year letters to companies. Also worth noting here are the FRC end-of-year letters which it sends to companies. In November and December 2015, it sent one to larger listed companies and one to smaller listed and AIM companies.

In its letter to larger listed companies, the FRC highlights: clear and concise reporting to ensure that only relevant information is communicated to investors; appropriate use of materiality assessments but not to conceal errors or achieve a particular presentation; various risk reporting issues; and confirmation that the Companies Act 2006 does not require annual reports to include the separate disclosure of a figure for distributable profits.

In its letter to smaller listed and AIM companies, the FRC highlights the need for the strategic report to be concise, balanced and understandable and for companies to clearly explain how they generate cash.

Other FRC publications. In the latter part of 2014, the FRC has launched: a discussion on board succession planning which may result in the updating of its guidance on board effectiveness; a project on corporate culture; and, through its Financial Reporting Lab, a Lab project report on disclosure of dividends – policy and practice.

Brexit

Companies may wish to discuss (for example, in the principal risks section of their annual report) the impact of Brexit and any mitigating (or opportunistic) measures they are looking at, bearing in mind that even in the event of an exit vote, actual exit is not likely to happen until many years after.

Miscellaneous – changes to DTRs; deletion of section 410 of the 2006 Act; and the Modern Slavery Act 2015

Disclosure and Transparency Rules amended. Changes were made to the Disclosure and Transparency Rules (DTRs) on 26 November 2015 for the implementation of the Transparency Directive Amending Directive (TDAD). We reported this in in our December 2015 Quoted Company Newsletter. Relevant changes related to publication of financial information include:

- **DTR 4.2.2R(2).** This has been amended to extend the deadline for publishing half-yearly reports from two months to three months after the end of the period to which the reports relates.
- **DTR 4.1.4R and DTR 4.2.2R(3).** These have been amended to extend the period of time for which annual and half-yearly financial reports need to be publicly available from five years to ten years. The requirement applies from the date that the report was originally made available and not the date that the TDAD changes came into force.

Also, companies whose shares are traded on a regulated market, in the UK generally listed companies, are now required by new **DTR 6.4.2** to make a regulatory information service (RIS) announcement that its Home Member State is the UK. This could be done the next time they make an RIS announcement for another reason, for example announcing the posting of their AGM notice. Suggested wording might be –"Home Member State: for the purposes of the Transparency Directive, the Home Member State of the Company is the United Kingdom". (Note this is in addition to the notification required to be sent to the FCA under DTR 6.4.3 on the Home Member State disclosure form available on the FCA website.)

Deletion of section 410 of the Companies Act 2006 as regards listing only key subsidiaries in notes to accounts. The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 give effect to the EU Accounting Directive (2013/34/EU) which makes changes largely affecting dormant, small and medium-sized companies as well as changes on financial statements that we will not cover. The changes came into force on 6 April 2015 largely for financial years beginning on or after 1 January 2006. One aspect (as we noted in our June 2015 Quoted Company Newsletter) that came into force earlier, for accounts approved on or after 1 July 2015, and is the most relevant change for listed companies, relates to the former flexibility in section 410 of the Companies Act 2006 whereby only key subsidiaries needed be listed in the notes to the accounts and the rest could be appended to the company's annual return. Section 410 was deleted such that directors can no longer take advantage of it. This means that annual accounts must feature all the required related undertakings in the notes.

The Modern Slavery Act 2015, section 54 statement. One last point to briefly note in this section of the briefing, as we flagged in our 2015 AGM and reporting season briefing and also in subsequent Quoted Company Newsletters, is section 54 of the Modern Slavery Act (the Act). Although, note this is **not** a disclosure that has to appear in the annual reports and accounts, but rather is a standalone statement to be published on a website.

Section 54 came into force in October 2015 with transitional provisions which provide that **31 March 2016 year-end organisations** are the first to have to comply (at the latest, six months after the end of the financial year).

Section 54 slavery and human trafficking statement (the statement)

A slavery and human trafficking statement is:

a) a statement of the steps the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place: (i) in any of its supply chains; and (ii) in any part of its own business; or

b) a statement that the organisation has taken no such steps.

The much awaited guidance, "Transparency in supply chains – a practical guide" (the guidance) has also been published. Key sections of the guidance include who is required to comply and information that could feature in the new disclosure. A UK incorporated listed (or AIM) company (among others) doing business in the UK is in scope and required to make the statement if it has an annual turnover (itself and its subsidiary undertakings) of not less than £36 million.

Relevant businesses should consider how they will respond to the need to give the statement and the extent to which they want to take on board the suggestions in the guidance. For more on this, see our November 2015 client briefing.

Developments for 2017 or later

2017 or later – key developments
• EU statutory audit reforms • FRC consultation on changes to the 2014 Code and audit committee guidance • Reporting on business payment practices and policies – slow progress • Miscellaneous European developments

EU statutory audit reforms

In our 2015 season briefing, we noted, as regards the EU statutory audit reforms which centre around the EU Audit Directive (2014/56/EU) (the Directive) and the EU Audit Regulation (537/2014) (the Regulation), the publication by the Department for Business Innovation & Skills (BIS) of its initial discussion document in December 2014. We have also covered subsequent developments on this in several Quoted Company Newsletters during the course of 2015, noting the publication by BIS of further documents including supplementary information in March 2015 and a written statement in July 2015.

Although companies will turn to their auditors for the detail in this area, we note the following recent key points and developments. In October 2015, BIS issued its final formal consultation on the technical legislative implementation of the Directive and the Regulation (the final consultation document) along with draft regulations to effect the key changes in this area including to Part 16 of the Companies Act 2006 (the draft regulations). The consultation period ended on 9 December 2015. The Government has stated its intention that implementing regulations will come into force for accounting periods beginning on or after 17 June 2016. Whilst we have not had formal responses yet from either BIS or the FRC, the following key points are worth noting for UK listed companies:

Key changes – EU statutory audit reform	
Application of the Regulation:	Public Interest Entities - entities with securities admitted to trading on a regulated market and also credit institutions (e.g. banks and building societies) and insurance undertakings. Note AIM companies are not covered, but unlisted credit and insurance entities will be.
Contractual terms restricting choice of auditor:	Shall have no legal effect.
Mandatory rotation of auditors and tendering of the audit contract:	Companies should put their audit contract out to tender at least every ten years and change their auditor at least every 20 years.
"Blacklisted" non-audit services and other non-audit services subject to a cap:	Certain non-audit services will be "blacklisted" and may not be provided by the auditors and certain other non-audit services will be subject to a cap.
Audit committee changes including reporting	Limited changes to the Code; and more detailed changes to the guidance for audit committees. Related changes to DTRs and PRA rules.

Other important points worth noting that come out of the final consultation document include:

Advance notice to tender. An area where the Government's thinking has moved on concerns advance notice to tender. BIS had initially considered that it would require companies to give advance notice to tender their audit contract in their annual report and that this was needed so that an early re-tender before ten years could still enable a further ten-year extension. BIS now considers this advance notice is **not necessary**. (However, see the section below for more on the FRC proposals to change the 2014 Code in this regard.) BIS gives the following helpful illustration of what is possible for a company which chooses to re-tender its audit contract before ten years:

- **Transitional provisions.** The draft regulations do not give clear transitional provisions and there is current uncertainty for all companies as to when their first re-tender has to take place. However, for companies with audit engagements first entered into for accounting years beginning on or after 17 June 2004 and that continue for accounting years ending on or after 17 June 2016, BIS notes a written statement has been issued stating that where possible the Government intends that for entities that have tendered their audit contract before application of the Regulation, they should benefit from transitional recognition of that tender where possible.
- **Relation with the CMA Order.** The CMA has stated that, once the final implementation of the EU reforms is concluded, it will establish whether a review of the Order is appropriate to identify any measures which can be relaxed or removed. Also, in the response to the final consultation document by the Institute of Chartered Accountants in England and Wales, it states that it understands that BIS and the CMA are discussing this, noting, among other things, that "*the proliferation of regulation and legislation that has to be looked at in order to understand what is required in this area, greatly increases the risk of some of those requirements being overlooked or even conflicting in unexpected circumstances*".

FRC consultation on changes to the 2014 Code and audit committee guidance

On 29 September 2015, the FRC issued a consultation on proposals to update the 2014 Code in connection with the EU statutory audit reforms and also the CMA Order. It is proposing limited revisions to the 2014 Code and more substantial changes to its guidance for audit committees (as well as a new ethical standard for auditors and changes to auditing standards).

Proposed changes to the 2014 Code and audit committee guidance

- **C.3.1 (membership of audit committee)**. To introduce a requirement for "at least one member of the audit committee to have competence in accounting and/or auditing" to replace the current requirement which refers to "recent and relevant financial experience". Also, to require that "the audit committee as a whole shall have competence relevant to the sector in which the company operates".
- **C.3.7 (re-tendering of the audit contract)**. To remove the requirement as regards tendering of the audit contract as that has now been overtaken by the CMA Order and soon will be overtaken by the EU Regulation.
- **C.3.8 (reporting by the audit committee)**. To add a specific requirement for advance notice of re-tendering plans.
- **Audit committee guidance**. Extensive changes to cater for the proposed changes to the 2014 Code and to align with the EU statutory audit reforms including composition of the committee, prohibition on non-audit services and the reporting of FRC audit quality inspection findings.

Note that an area where the FRC does not propose to change the 2014 Code relates to the CMA proposal that the Code introduce a requirement for an advisory vote on the audit committee report. The FRC does not support this, considering that shareholders already have sufficient rights to express their opinion on the audit committee report.

The deadline for responses to the FRC was 11 December 2015. The FRC has yet to issue its response statement, but the changes are expected to take effect for accounting periods beginning on or after 17 June 2016, the date for implementation of the EU statutory audit reforms.

In its FRC governance/stewardship annual report mentioned earlier, the FRC has said that it does not intend to make substantial revisions to the Code for the next three years, although it does also mention the possibility of updates to the Code for the Shareholder Rights Directive (see more below).

Reporting on business payment practices and policies – slow progress

We mentioned this in our 2015 season briefing and our March 2015 Quoted Company Newsletter. For fullness, it is worth noting where this initiative stands, although note that again it does **not** involve reporting in the annual report and accounts, but rather a mandatory, standalone report of payment practices and policies by large UK companies, limited liability partnerships and listed companies.

The key proposals aim: (i) to incentivise businesses to improve their payment practices; and (ii) to provide suppliers with up-to-date and accurate information about the payment practices of their customers. Following a BIS consultation in November 2014, BIS issued a summary of responses it had received. While not setting out the formal Government response, these indicate where there were concerns from respondents. For example, in terms of the proposal that businesses be required to report at an individual company level rather than on a consolidated basis, while more were in favour of this than against, some respondents argued that this could place an unreasonable burden on some businesses due to the complexity of company structures and that there should be some flexibility for companies to decide whether to provide individual or consolidated reports based on how their invoices are processed and how the data is collected.

The most recent publicised development in this area is still the Ministerial Written Statement that was issued on 20 March 2015. Among various matters, it talked of reporting to be required on a half-yearly basis and confirmed the narrative and metrics that would be required to be reported on as well as attaching a pro-forma of the report to contain the disclosures. This proposal has been very slow to progress. Nothing more recent has been published and therefore, although a date of April 2016 was at one stage mooted, it seems highly likely that this is no longer the case.

Miscellaneous European developments

The EU Directive on disclosure of non-financial information and diversity information by certain large companies and groups (2014/95/EU)(the Disclosure Directive). As we reported in our 2015 season briefing, the Disclosure Directive, which is final and has been formally published in the Official Journal of the European Union, amends the new Accounting Directive mentioned above and centres around increasing disclosures in annual reports and accounts of large "public interest entities", with 500 or more employees, on certain non-financial matters.

Disclosure Directive – non-financial information

Information to be included to the extent necessary relating to:

- Environmental matters
- Social and employee matters
- Respect for human rights
- Anti-corruption and bribery matters

Aspects to be covered include:

- Brief description of business model
- Policies pursued, including due diligence processes implemented, on the above matters.
- Outcomes of those polices.
- Principal risks related to those matters likely to adversely impact the company's operations and, where relevant and proportionate, its business relationships, products or services.
- Non-financial key performance indicators.

Member States have until 6 December 2016 to transpose the Disclosure Directive into national law to apply for accounting years beginning on or after 1 January 2017. Clearly, some of these areas are already covered in UK legislation, notably in the strategic report requirements of the Companies Act 2006. We still await a BIS consultation on transposition of the Disclosure Directive to see what changes or additions may be needed to give effect to it.

The latest development in this area is that in January 2016, the European Commission published for consultation questions to help it draft the non-binding guidelines on the methodology for reporting non-financial information that it is due to publish under the Disclosure Directive by December 2016. Comments are requested by 15 April 2016.

The proposal to amend the Shareholder Rights Directive (2007/36/EU) as regards the encouragement of long-term shareholder engagement. In our 2015 season briefing, we noted that in April 2014, the European Commission published a proposal to amend the Shareholder Rights Directive on a number of matters including disclosure of and voting on remuneration policies, related party transactions, transparency of proxy advisers and disclosure of voting and engagement policies and practices of institutional shareholders and others. As with the Disclosure Directive, some aspects of the proposal for the Shareholder Rights Directive are already covered in UK legislation. Final points worth noting here are that this is still a proposal being negotiated and is reported to be proving contentious on some aspects. It is currently in the Trilogue process whereby the European Commission, Parliament and Council try to work out a compromise.

The proposed Directive on gender balance among non-executive directors of listed companies (the proposed gender balance directive). We also wrote about this proposed Directive in our 2015 season briefing, and the position is much the same. The proposed gender balance directive centres around an objective that EU-listed companies achieve 40 per cent representation of the "under-represented sex" among non-executive directors (or 33 per cent if in relation to all directors) by 1 January 2020 and, if they do not, then certain repercussions follow which relate to matters such as the recruitment processes used for director recruitment and additional annual disclosure requirements. However, the gender balance directive remains a proposal and still awaits agreement between the European Council and European Parliament.

The UK corporate governance environment
Key 2015 publications (and others noted in this briefing)

Title	Date[1]
Financial Reporting Council (FRC)	
Developments in corporate governance and stewardship 2015	January 2016
Year-end advice to larger listed companies	December 2015
Year-end advice to smaller listed companies	November 2015
Corporate Reporting Review Annual Report 2015	October 2015
UK board succession planning discussion paper	October 2015
Confidence in audit consultation (including changes the 2014 Code)	September 2015
Culture project: invitation to participate	September 2015
UK Corporate Governance Code 2014	September 2014
Guidance on risk management, internal control and financial and business reporting	September 2014
FRC Financial Reporting Lab (Lab)	
Disclosure of dividends – policy and practice	November 2015
Call for participants: business model reporting	July 2015
Digital present – use of digital media in corporate reporting	May 2015
The Department of Business, Innovation and Skills (BIS)	
Consultation on the technical legislative implementation of the EU audit reforms	October 2015
Ministerial statement – audit and auditor regulation	July 2015
Auditor regulation - supplementary information – implication of EU and wider reforms	March 2015
Ministerial Statement on reporting on payment practices and policies	March 2015
The Investment Association (IA)	
Principles of remuneration and accompanying letter	November 2015
Breach of shareholder protection principles announcement	September 2015
The Pensions and Lifetime Savings Association (PLSA)	
Corporate governance policy and voting guidelines 2015/2016	November 2015
Institutional Shareholder Services (ISS)	
ISS gateway to updates and policies	February 2016
Glass Lewis	
Guidelines 2016 proxy season - UK	2016
The Financial Conduct Authority (FCA)	
Implementation of the Transparency Directive Amending Directive	November 2015
Handbook notice No. 26	October 2015
Quarterly consultation No. 9	July 2015
GC 100 and Investor Group	
Directors' remuneration reporting guidance – 2015 statement	December 2015
Pre-Emption Group	
Dis-applying pre-emption rights: a statement of principles 2015	March 2015
Institute of Chartered Secretaries and Administrators (ICSA)	
Guidance note: UK Corporate Governance Code Provision E.2.4	April 2015
ICSA Registrars Group	
Practical issues around articles of association and dividend distributions	March 2014
Competition and Markets Authority (CMA)	
Statutory audit services order	September 2014
Institutional Investor Committee	
The audit tendering process – the expectations of UK institutional investors	May 2014
European Union	
Reform of the audit market - index	Various
Non-financial reporting - index	Various
Shareholder rights - index	Various
Market abuse - index	Various

London corporate partners/consultants

Rob Aird	T: +44 (0)20 7859 1726	E: rob.aird@ashurst.com
Hammad Akhtar	T: +44 (0)20 7859 1720	E: hammad.akhtar@ashurst.com
Chris Bates	T: +44 (0)20 7859 2388	E: chris.bates@ashurst.com
Simon Beddow	T: +44 (0)20 7859 1937	E: simon.beddow@ashurst.com
Jeremy Bell	T: +44 (0)20 7859 1913	E: jeremy.bell@ashurst.com
Nicolas Bonnefoy	T: +44 (0)20 7859 1330	E: nicolas.bonnefoy@ashurst.com
Patrick Boyle	T: +44 (0)20 7859 1740	E: patrick.boyle@ashurst.com
Nick Bryans	T: +44 (0)20 7859 1504	E: nick.bryans@ashurst.com
Michael Burns	T: +44 (0)20 7859 2089	E: michael.burns@ashurst.com
David Carter	T: +44 (0)20 7859 1012	E: david.carter@ashurst.com
Nick Cheshire	T: +44 (0)20 7859 1811	E: nick.cheshire@ashurst.com
Anthony Clare	T: +44 (0)20 7859 1927	E: anthony.clare@ashurst.com
Adrian Clark	T: +44 (0)20 7859 1767	E: adrian.clark@ashurst.com
Karen Davies	T: +44 (0)20 7859 3667	E: karen.davies@ashurst.com
Mark Elsey	T: +44 (0)20 7859 1721	E: mark.elsey@ashurst.com
Nick Goddard	T: +44 (0)20 7859 1358	E: nick.goddard@ashurst.com
Richard Gubbins	T: +44 (0)20 7859 1252	E: richard.gubbins@ashurst.com
Bruce Hanton	T: +44 (0)20 7859 1738	E: bruce.hanton@ashurst.com
Nicholas Holmes	T: +44 (0)20 7859 2058	E: nicholas.holmes@ashurst.com
Naomi Horton	T: +44 (0)20 7859 1526	E: naomi.horton@ashurst.com
Hiroyuki Iwamura	T: +44 (0)20 7859 3244	E: hiroyuki.iwamura@ashurst.com
Isabelle Lentz	T: +44 (0)20 7859 1094	E: isabelle.lentz@ashurst.com
Adam Levitt	T: +44 (0)20 7859 1633	E: adam.levitt@ashurst.com
Mark Lubbock	T: +44 (0)20 7859 1762	E: mark.lubbock@ashurst.com
Logan Mair	T: +44 (0)20 7859 1902	E: logan.mair@ashurst.com
Nikhil Markanday	T: +44 (0)20 7859 1328	E: nikhil.markanday@ashurst.com
Tom Mercer	T: +44 (0)20 7859 2988	E: tom.mercer@ashurst.com
Robert Ogilvy Watson	T: +44 (0)20 7859 1960	E: robert.ogilvywatson@ashurst.com
Sergei Ostrovsky	T: +44 (0)20 7859 1821	E: sergei.ostrovsky@ashurst.com
David Page	T: +44 (0)20 7859 1908	E: david.page@ashurst.com
Jonathan Parry	T: +44 (0)20 7859 1086	E: jonathan.parry@ashurst.com
James Perry	T: +44 (0)20 7859 1214	E: james.perry@ashurst.com
Geoffrey Picton-Turbervill	T: +44 (0)20 7859 1209	E: geoffrey.picton-turbervill@ashurst.com
Nick Rainsford	T: +44 (0)20 7859 2914	E: nick.rainsford@ashurst.com
Michael Robins	T: +44 (0)20 7859 1473	E: michael.robins@ashurst.com
Dominic Ross	T: +44 (0)20 7859 1043	E: dominic.ross@ashurst.com
Jan Sanders	T: +44 (0)20 7859 1246	E: jan.sanders@ashurst.com
Jennifer Schneck (US)	T: +44 (0)20 7859 1744	E: jennifer.schneck@ashurst.com
Antony Skinner	T: +44 (0)20 7859 1360	E: antony.skinner@ashurst.com
Cameron Smith	T: +44 (0)20 7859 1125	E: cameron.smith@ashurst.com
Michael Smith	T: +44 (0)20 7859 1004	E: michael.j.smith@ashurst.com
Nick Stalbow	T: +44 (0)20 7859 1802	E: nick.stalbow@ashurst.com
Eric Stuart (US)	T: +44 (0)20 7859 3654	E: eric.stuart@ashurst.com
Jeffrey Sultoon	T: +44 (0)20 7859 1717	E: jeffrey.sultoon@ashurst.com
Huw Thomas	T: +44 (0)20 7859 1238	E: huw.thomas@ashurst.com
Philip Thomson	T: +44 (0)20 7859 1243	E: philip.thomson@ashurst.com
Terence van Poortvliet	T: +44 (0)20 7859 2424	E: terence.vanpoortvliet@ashurst.com
Philip Vernon	T: +44 (0)20 7859 1705	E: philip.vernon@ashurst.com
David Wadham	T: +44 (0)20 7859 1064	E: david.wadham@ashurst.com
Piers Warburton	T: +44 (0)20 7859 1099	E: piers.warburton@ashurst.com
Nick Williamson	T: +44 (0)20 7859 1894	E: nick.williamson@ashurst.com
James Wood	T: +44 (0)20 7859 3695	E: james.wood@ashurst.com

Abu Dhabi
Suite 101, Tower C2
Al Bateen Towers
Bainunah (34th) Street
Al Bateen
PO Box 93529
Abu Dhabi
United Arab Emirates
T: +971 (0)2 406 7200
F: +971 (0)2 406 7250

Beijing
Level 26 West Tower, Twin Towers
B12 Jianguomenwai Avenue
Chaoyang District
Beijing 100022
PRC
T: +86 10 5936 2800
F: +86 10 5936 2801

Brisbane
Level 38, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
Australia
T: +61 7 3259 7000
F: +61 7 3259 7111

Brussels
Avenue Louise 489
1050 Brussels
Belgium
T: +32 (0)2 626 1900
F: +32 (0)2 626 1901

Canberra
Level 11
12 Moore Street
Canberra ACT 2601
Australia
T: +61 2 6234 4000
F: +61 2 6234 4111

Dubai
Level 5, Gate Precinct Building 3
Dubai International
Financial Centre
PO Box 119974
Dubai
United Arab Emirates
T: +971 (0)4 365 2000
F: +971 (0)4 365 2050

Frankfurt
OpernTurm
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main
Germany
T: +49 (0)69 97 11 26
F: +49 (0)69 97 20 52 20

Hong Kong
11/F, Jardine House
1 Connaught Place
Central
Hong Kong
T: +852 2846 8989
F: +852 2868 0898

Jakarta (Associated Office)
Oentoeng Suria & Partners
Level 37, Equity Tower
Sudirman Central
Business District
Jl. Jend. Sudirman Kav. 52-53
Jakarta Selatan 12190
Indonesia
T: +62 21 2996 9200
F: +62 21 2903 5360

Jeddah (Associated Office)
Faisal Adnan Baassiri Law Firm
in Association with Ashurst LLP
Alesayi Building
Madinah Road (South)
Al Andalus District/1
PO Box 55339
Jeddah 21534
Saudi Arabia
T: +966 (0)12 228 2700
F: +966 (0)12 228 2701

London
Broadwalk House
5 Appold Street
London EC2A 2HA
UK
T: +44 (0)20 7638 1111
F: +44 (0)20 7638 1112

Madrid
Alcalá, 44
28014 Madrid
Spain
T: +34 91 364 9800
F: +34 91 364 9801/02

Melbourne
Level 26
181 William Street
Melbourne VIC 3000
Australia
T: +61 3 9679 3000
F: +61 3 9679 3111

Milan
Piazza San Fedele, 2
20121 Milan
Italy
T: +39 02 854231
F: +39 02 85423444

Munich
Ludwigpalais
Ludwigstraße 8
80539 Munich
Germany
T: +49 (0)89 24 44 21 100
F: +49 (0)89 24 44 21 101

New York
Times Square Tower
7 Times Square
New York, NY 10036
USA
T: +1 212 205 7000
F: +1 212 205 7020

Paris
18, square Edouard VII
75009 Paris
France
T: +33 (0)1 53 53 53 53
F: +33 (0)1 53 53 53 54

Perth
Level 32, Exchange Plaza
2 The Esplanade
Perth WA 6000
Australia
T: +61 8 9366 8000
F: +61 8 9366 8111

Port Moresby
Level 4, Mogoru Moto Building
Champion Parade
PO Box 850
Port Moresby
Papua New Guinea
T: +675 309 2000
F: +675 309 2099

Rome
Via Sistina, 4
00187 Rome
Italy
T: +39 06 421021
F: +39 06 42102222

Shanghai
Suite 3408-10
CITIC Square
1168 Nanjing Road West
Shanghai 200041
PRC
T: +86 21 6263 1888
F: +86 21 6263 1999

Singapore
12 Marina Boulevard
#24-01 Marina Bay
Financial Centre Tower 3
Singapore 018982
T: +65 6221 2214
F: +65 6221 5484

Stockholm
Jakobsgatan 6
Box 7124
SE-103 87 Stockholm
Sweden
T: +46 (0)8 407 24 00
F: +46 (0)8 407 24 40

Sydney
Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia
T: +61 2 9258 6000
F: +61 2 9258 6999

Tokyo
Shiroyama Trust Tower
30th Floor
4-3-1 Toranomon
Minato-ku, Tokyo 105-6030
Japan
T: +81 3 5405 6200
F: +81 3 5405 6222

Washington DC
1875 K Street NW
Washington, DC 20006
USA
T: +1 202 912 8000
F: +1 202 912 8050