

# Stokes

Stokes (Australasia) Ltd  
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23 November 2012

Alexandra Pigdon  
Adviser, Listings (Melbourne)  
ASX Compliance Pty Limited  
Level 4 Rialto North Tower  
525 Collins Street  
Melbourne, VIC 3000

Dear Alexandra,

I refer to your letter of 21 November 2012, requiring Stokes (Australasia) Limited (**Company**) to make additional disclosure under ASX Listing Rule 4.10.3 related to recommendations of the ASX Corporate Governance Council, specifically the matters set out in Recommendations 3.2, 3.3, 3.4 and 3.5 of the ASX Corporate Governance Principles and Recommendations related to diversification. I will deal with each of the above mentioned recommendations in turn.

#### Recommendation 3.2

The Company has not established a stand-alone formal policy concerning diversity. The Company recruits and employs people based on personal merit, competency and the individual's potential to effectively perform the job, and does not discriminate based on gender, age, ethnicity or cultural background. The Company is presently in a restructuring phase and as the company expands in the future it intends to establish a formal diversity policy and set measurable objectives for achieving gender diversity.

#### Recommendation 3.3

Reference is made to the Company's disclosure in respect of Recommendation 3.2.

#### Recommendation 3.4

At the date of this letter the proportion of women in the organisation is 32 out of 94. None of these form part of the senior executive team, and there are presently no female Board members. Several women have served, or continue to serve, in technical, corporate and human resources functions within the senior management team.

#### Recommendation 3.5

Reference is made to the Company's disclosure in respect of Recommendation 3.2.

The Company will ensure that its next annual report addresses the matters described above.

Yours sincerely

Con Scrinis  
Managing Director



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21 November 2012

Con Scrinis  
Stokes (Australasia) Limited

By Email

Dear Con,

**Stokes (Australasia) Limited (the “Company”)**

We refer to the Company’s annual report for the year ended 30 June 2012 (“Annual Report”) released to the market on 19 October 2012 and in particular to the Company’s disclosures about its corporate governance practices and in particular its diversity policy.

Listing rule 4.10.3 requires that an entity include in its annual report:

*“A statement disclosing the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed all of the recommendations the entity must identify those recommendations that have not been followed and give reasons for not following them. If a recommendation had been followed for only part of the period, the entity must state the period during which it had been followed.”*

Principle 3 of the 2010 amendments to the 2<sup>nd</sup> edition of the ASX Corporate Governance Principles and Recommendations states that Companies should actively promote ethical and responsible decision-making and that:

*“Companies should publish their policy concerning diversity, or a summary of that policy, and disclose annually their measurable objectives for achieving gender diversity, their progress toward achieving those objectives and the proportion of women in the whole organisation, in senior management postings and on the board.”*

More specifically the following recommendations set out in more detail the requirements:-

Recommendation 3.2

*“Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.”*

Recommendation 3.3

*“Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.”*

Recommendation 3.4



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*“Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.”*

### Recommendation 3.5

*“Companies should provide the information indicated in the Guide to reporting on Principle 3.”*

The Listed Entities Updates dated 1 October 2010 and 7 February 2012, reminded listed entities of their obligation to report under the 2010 amendments to the 2<sup>nd</sup> edition of the ASX Corporate Governance Principles and Recommendations as set out above in their annual report for their first financial year commencing on or after 1 January 2011.

ASX Listings (ASXL) has reviewed the diversity policy disclosures in the annual reports of all entities. Upon our review of the Company's Annual Report, ASXL could not identify a statement in the annual report confirming whether the Company had followed or not followed the diversity recommendations of the Council.

ASXL attaches particular importance to encouraging a consistently high standard of listed entities' disclosures about the Council's corporate governance recommendations.

**In light of the Company's non-disclosure in respect of the diversity recommendations in its Annual Report, ASXL requires that the Company make additional disclosure to the market in compliance with listing rule 4.10.3 about the extent to which the Company has followed or not followed each of the diversity recommendations of the Council.**

The additional disclosure should be sent to me by e-mail at [alexandra.pigdon@asx.com.au](mailto:alexandra.pigdon@asx.com.au) or by facsimile on facsimile number **(03) 9614 0303**. It should not be sent to ASX Market Announcements. This is requested as soon as possible and, in any event, not later than **9.30am A.E.D.S.T. on Monday, 26 November 2012**.

Under listing rule 18.7A, a copy of this letter and the additional disclosure will be released to the market, so your response should be presented in a suitable form.

Should the Company fail to do so, ASXL may consider suspending the Company's securities from quotation until the Company releases to the market a diversity policy that discloses the required information.

If you have any queries about this letter, or about the Council's recommendations and the Company's reporting obligations in relation to those recommendations, please contact me immediately.

Yours sincerely,

Alexandra Pigdon  
**Adviser, Listings (Melbourne)**