

Answer to questions in writing:

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

INQUIRY INTO THE IMPLICATIONS OF COMMON OWNERSHIP AND CAPITAL CONCENTRATION IN AUSTRALIA

CO-AIRA01QW:	As the committee is seeking to better understand issues of transparency, it would be useful for us to get a better picture of what information is provided by Orient Capital to companies about their shareholders.
Answer:	<p>Orient Capital ('OC') obtains an executed Agency Authority, referencing s672A of the Australian Corporations Act 2001, for a listed company to enable issuance of disclosure requests to shareholders with a relevant interest in their voting shares.</p> <p>During the process OC received a register of members from the company's registry and issues s672A(a)(a) requests to the registered holders requesting the disclosure of information mandated by the subsection. Once received, OC inputs the data into a proprietary system and subsequently serves further s67A(1)(b) requests to sub-custodians.</p> <p>The process continues until OC determines they have uncovered down to a reasonable level the ultimate beneficial ownership (generally over a 7 business day period) within the issuer.</p> <p>After auditing OC provides reporting to the company which ultimately reflects the holding structure at a point in time aggregated up to the Investment Manager, Beneficial Owner, Geographical location, Investment style etc. As an IR service provider OC's analyses are focused on uncovering the 'institutional' portion of the register and smaller retail positions are generally excluded from the analysis and are under-threshold.</p>
CO-AIRA02QW:	Could you please provide the Committee with a sample Orient Capital report for a representative company? Ideally, this would be a recent report, provided in full detail. But if this raises commercial-in-confidence issues, it could be either (a) a historical report – say from five years ago, or (b) a confidentialised report, with the name of the company omitted.
Answer:	Please find attached (attachment a) a sample of our Board report which is provided to clients at the completion of an analysis. The information in the report is related to our demo company and should be used to review the depth of information provided to clients, which ultimately attempts to uncover the end beneficial owner and investment manager of individual accounts within a listed issuer using 3 rd party information (nominee disclosures etc).

CO-AIRA03QW:	For the same company, could you please denote what information would be available through (a) the company's annual report, and (b) substantial shareholder declarations? This will allow the committee to understand the additional information that an Orient Capital report provides to corporate management, above and beyond what is publicly available
Answer:	<p>Please see below</p> <ul style="list-style-type: none">a. Company's annual report: This will identify the below holdings, generally.<ul style="list-style-type: none">i. Top 20 registered holders – depending on the composition of the register these will likely comprise multiple nominee companies and provide little transparency.ii. Substantial Shareholders – these will be the latest disclosed holdings of any holder claiming to have a relevant interest in more than 5% of issued capital.iii. Director shareholdingsb. Substantial shareholder declarations reflect the positions of entities who have deemed they have a relevant interest in over 5% of issued capital of a company. Further lodgements are made if the entities relevant interest moves above 1% from the latest disclosure or below the 5% disclosure threshold. The information contained within the lodgements can vary greatly between disclosing entities and generally will not drill down to the holdings for each individual invested accounts, which would be contained within the OC analysis.