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BY EMAIL

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
Department of the Senate
Parliament House
CANBERRA ACT 2600

11 April 2005

To: corporations.joint@aph.gov.au

Dear Sir

Corporations Amendment Bill (No.2) 2005

Enclosed is Blake Dawson Waldron's submission on the exposure draft of the *Corporations Amendment Bill (No.2) 2005*.

In preparing the submission, we have consulted with general counsel and representatives of some of our Australian listed company clients.

While the views expressed in the submission are the views of Blake Dawson Waldron, these views reflect our own experience and the experience of the companies we consulted.

Yours sincerely

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BLAKE DAWSON WALDRON

LAWYERS

SUBMISSION TO THE PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES ON THE CORPORATIONS AMENDMENT BILL (NO. 2) 2005

1. INTRODUCTION

Set out below is Blake Dawson Waldron's submission on the exposure draft of the *Corporations Amendment Bill (No. 2) 2005* (**Bill**).

2. SUMMARY

In summary:

- **Members' requisition of general meetings** – we support the proposed amendment to section 249D(1).

- **Members' resolutions and members' statements** – we do not consider that the thresholds proposed by the amendments to sections 249N and 249P are appropriate for large listed companies. While facilitation of members in corporate governance should be encouraged, the costs of facilitation – which are borne by the entity – should be balanced against the benefits of participation. Given the significant costs for major listed companies of complying with a request to distribute a notice or include a resolution in a notice of meeting, the threshold of 20 members is too low.

  In addition, consideration should be given to including a minimum shareholding requirement for each requesting member – for example, $2,000 worth of shares. Additionally, greater clarification of a "proper purpose" test based on Rule 14a-8 of the Securities Exchange Act 1934 could be introduced to permit companies to exclude resolutions not properly within the competence of the general meeting. This would limit the extent to which the provisions could be exploited to the detriment of companies and their members.

- **Procedural requirements for members' resolutions and members' statements** – the *Corporations Act 2001* (**Corporations Act**) should be amended to only require a company to include notice of a resolution in a notice of meeting, or to distribute a statement to members, where that the relevant member request was received at least 3 months before the scheduled date of the general meeting.

- **Managed investment schemes** – to ensure regulatory consistency, we recommend that the changes made to general meetings of companies, also be made to registered managed investments schemes in Part 2G.4.

- **Proxy voting** – we support the policy objective behind the amendment to section 250A(4). However, if a proxy does not vote, the votes of the appointers are

effectively ignored. Accordingly, we suggest that the provision be amended to deem all directed proxies voted if a person appointed as a proxy votes.

3. MEMBERS' REQUISITION OF GENERAL MEETINGS

We support the proposed amendment to abolish the ability of only 100 members to requisition a general meeting. As stated in the paragraphs 2.2 and 2.3 of the Explanatory Memorandum to the Bill, the amendment will remove the ability of a very small percentage of members to have a disproportionate influence.

4. MEMBERS' RESOLUTIONS AND MEMBERS' STATEMENTS

We consider that a numerical threshold of 20 members – as proposed by the amendments to sections 249N and 249P – is not appropriate for large listed companies.

4.1 Disproportionate influence and cost to the company

The right of members to propose resolutions for consideration at a general meeting of members is a vital mechanism in ensuring members can participate in the corporate governance of companies.

However, we do not consider the amendment appropriate for large listed companies on the basis that, giving only 20 members the ability to include proposed resolutions at a general meeting of the company, or to distribute a statement, provides a disproportionately small number of members with the ability to impose a significant cost on a public company (and in some instances other shareholders through the disruption of the general meting).

4.2 Recent member resolutions

Generally, as a matter of common law, a resolution will be competent to be put to a meeting of members if it is a matter which can properly be considered by members. Resolutions which relate to amendments to a company's constitution, provided the resolutions are clear and free of ambiguity, are competent to be put to members in a general meeting. Accordingly, most of the resolutions proposed under section 249N in recent years have been expressed to be amendments to a company's constitution.

Set out in the annexure to this submission are details of the resolutions proposed by members under section 249N, taken from a survey of annual general meetings for the top 100 ASX listed companies in the last few years. For this class and during this period, there have been 9 sets of resolutions (comprising 19 individual resolutions) proposed under section 249N. The individual resolutions can be characterised as follows:

- 6 resolutions related to environmental matters;
- 2 resolutions related to employment/health and safety matters;
- 8 resolutions related to executive and director remuneration matters;

- 2 resolutions related to director independence matters;
- 1 resolution related to proposal to remove a director.

None of the resolutions proposed were passed at the general meeting. Additionally, some of the resolutions were proposed as part of a publicised campaign by organisations who have openly stated broader social and environmental objectives. While it should be open to any member to take an interest in the manner in which a company manages the investment made by the member, a balance needs to be achieved with the costs of permitting members to propose resolutions and the impact on the company and other members.

We stress that in considering the resolutions proposed by members (as outlined above), we are not in any way questioning the merit or otherwise of the resolutions proposed. Members have a right to direct a company in any way they consider, subject to the law. The issue we raise is whether the threshold for members to propose resolutions – at times, at considerable cost to the company generally – is appropriate.

4.3 Impact on the company

While the right of members to propose resolutions is an important part of ensuring member participation in corporate governance, in our observation, the costs for large listed companies as a result of resolutions proposed under section 249N arise due to:

- **validity of resolution** – assessing whether the resolution proposed under section 249N is competent to be put to the members in general meeting. Directors are under a duty to ensure that the notice of meeting only contains those things which can be competently considered by the general meeting.
- **notice of meeting** – ensuring that the notice of meeting includes all information which members reasonably require to determine whether to attend the meeting or to appoint a proxy in relation to the resolutions proposed at the meeting. This extends to including additional information to address the issues raised in a resolution proposed under section 249N.
- **conduct of the meeting** – putting resolutions proposed under section 249N and allowing the will of the meeting to be determined in respect of those resolutions can take a considerable time. In our observation, the longer debate on resolutions proposed under section 249N continues, the larger the number of members who leave the meeting.

  Where meetings are dominated by members associated with a particular cause, other members of the company may feel disenfranchised and unable to participate in the meeting. While the chairman has a role to ensure that the will of the meeting is properly expressed, it may be difficult for other members to participate in a meeting where a concerted and well organised campaign is being run by a group of members advocating a specific issue.

As demonstrated by the survey, resolutions proposed under section 249N often:

- relate to debates about broader social and environmental issues – which while important issues in their own right, may not always be appropriate for members of a company to consider; and
- the costs of those debates are borne by companies, and ultimately, their members.

Companies and their members should not be asked to bear the costs of these debates. While these debates may be worthwhile generally, permitting a small number of members to raise matters of broader social policy effectively transfers the costs of public interest advocacy to companies and their members. Accordingly, the threshold under section 249N should not be reduced from 100 to 20 members.

An unintended consequence of lowering the threshold to 20 members may be to limit overall member participation in company meeting. Where a company faces a large number of resolutions at a general meeting, the ability of members to participate in the general meeting can be greatly reduced due to the additional length of the general meeting in considering member resolutions. This result runs counter to the policy objective of ensuring greater (in aggregate) member participation in the corporate governance of companies.

4.4 Other jurisdictions

Other major jurisdictions have adopted a voting power threshold test only – for example, in the United Kingdom a member or members with 5% of voting power is required to propose a member resolution.

The United States permits a single shareholder to propose a resolution under SEC rule 14a-8. However, this right is coupled with a requirement that the shareholder have a minimum economic interest in the company – that is, the shareholder must have held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted at the meeting for at least one year by the date of submitting the proposal.

In addition, the company may exclude the resolution if it comes within 13 substantive grounds for exclusion.

4.5 Our view

In our view, a numerical threshold for section 249N and 249P of 20 is not appropriate for large listed companies.

In any case, safeguards should be introduced to the provision to limit the potential for the rule to be abused. Consideration should be given to introducing:

- a minimum shareholding requirement for each member proposing the resolution or statement; or

- a proper purpose test similar to the SEC Rule 14a-8 enabling a company the opportunity to exclude resolutions which meet specified grounds.

5. TIMING REQUIREMENTS FOR MEMBERS' RESOLUTIONS AND MEMBERS' STATEMENTS

In our view, the Corporations Act should be amended to require notices of resolutions or statements to be submitted in a time which permits companies to more conveniently consider the resolutions/statements and include them in a notice of general meeting.

5.1 Current timing requirements

A company is required to distribute a notice of proposed resolution with the notice of general meeting for the next general meeting that occurs more than 2 months after the notice is given the company: section 249O(1). The company must send the notice of the resolution at the same time, or as soon as practicable afterwards, and in the same way, as it gives the notice of a meeting: section 249O(2).

If the notice of resolution is received "in time to send it out to members with the notice of meeting", the company is responsible for the cost of giving the notice of resolution: section 249O(3).

The question of when a company receives a notice of proposed resolution "in time" for it to be included with the notice of meeting can raise practical difficulties for large listed companies, as examined below.

5.2 Process for preparing a notice of meeting

For large listed public companies, the process of finalising a notice of meeting (including time for printing and sending to members to ensure at least 28 days' notice) can take a number of months. Typically, in our experience, the process of preparing a notice of meeting begins 5 to 6 weeks before the notice is sent to members – that is, 9 to 10 weeks before the date of the general meeting. The process includes:

- preparing the initial draft of the notice;
- obtaining legal advice in respect of any significant items proposed in the notice;
- obtaining internal sign-off and board approval;
- giving ASX a copy of the draft notice of meeting for its informal approval[1] – the document must not be finalised until ASX tells the entity that it has no objection;

[1] While ASX Listing Rule 15.1 only requires a draft of the notice of meeting to be given to ASX before it is sent to members in certain circumstances, the practice of most listed companies is to submit a draft of the notice of meeting to ASX regardless of its content.

- printing the notice of meeting; and
- giving the notice to a mail house for mailing to members to ensure that at least 28 days' notice of the meeting is given.

5.3 Practical difficulties

(a) *Supplementary notices*

A company that receives a notice of resolution faces the choice of either incorporating the resolutions (along with any explanatory material) into the notice of meeting, or including the proposed resolution on a separate document which will accompany the notice of meeting.

Section 249O provides for including notice of the resolution at the same time and in the same manner – which could be by way of a supplementary notice inserted along side the notice of meeting, in the same mail out to members. However, even if a company was to include a notice of resolutions on a separate document – rather than the prepared notice of meeting – there are difficulties in printing and mailing the notice of resolutions in time to be sent with the notice of meeting. This is notwithstanding that the notice of resolutions may be received some weeks before the notice of meeting is sent to members.

(b) *Proxy forms*

Where a notice of proposed resolutions is not able to be incorporated into a notice of meeting due to timing constraints, there may be issues associated with preparing and distributing proxy forms which include the member proposed resolutions.

It is desirable for companies to only prepare the one proxy form (rather than subsequently distribute a replacement proxy form) in order to avoid potential confusion surrounding multiple proxy forms.

5.4 Proposed changes to the ASX Listing Rules

In September 2004, the Australian Stock Exchange (**ASX**) proposed abolishing Listing Rule 14.3. Listing Rule 14.3 requires a company to accept a nomination for a candidate for election as a director up to 35 business days before the date of the annual general meeting. ASX explains the reasons for deleting Listing Rule 14.3 as follows:

> ASX has found that in practice listing rule 14.3 has the effect of causing considerable uncertainty and delays in the production of notices of meeting, as this cannot occur until the 35 day period under the rule has passed. This is particularly the case for larger companies

for which the logistics of preparing for meetings are extremely complex, and the associated costs are substantial.[2]

In our view, similar considerations arise for listed entities in finalising notices of meetings the must include resolutions proposed under section 249N and distributing members' statements under section 249P.

5.5 Our view

The period referred to in section 249O should be amended to 3 months to ensure that large listed companies have sufficient time to properly and cost-effectively include any member resolutions proposed in the notice of general meeting.

5.6 Section 249O(4)

One anomaly we note in section 249O(4) is the reference to "members requesting the meeting". In our view, this should be amended to refer to "members who have given notice of a resolution", for consistency with other references in section 249N and 249O.

6. MANAGED INVESTMENT SCHEMES

We suggest that the proposed amendments to Part 2G.2 of the Corporations Act about meetings of members of corporations should be extended to Part 2G.4 about meetings of members of registered managed investment schemes.

The reforms of meeting procedures for both companies and managed investment schemes were introduced by the *Corporate Law Reform Act 1998* (**CLRA**).

CLRA's express objectives were to improve the efficiency of corporate regulation and reduce regulatory burdens on business, by removing unnecessary regulation and by reducing the complexity of the existing Corporations Law (as it then was) rules; Explanatory Memorandum to the Company Law Review Bill 1997, paragraph 2.1.

As far as possible, CLRA applied the rules of company meetings to meetings of managed investment schemes, arguably reducing the time and expense involved for members in ascertaining their rights at meetings: Explanatory Memorandum to the Company Law Review Bill 1997, paragraph 2.17.

It is submitted that consistently with CLRA, any changes to company meeting provisions in the Corporations Act should flow through to the "mirror image" provisions for meetings of managed investment schemes. Without flow through, there will be arbitrary differences between the provisions which will tend to cause confusion among the investing public. This will be particularly confusing for members of the many stapled entities listed on the

[2] Paragraph 1.8, ASX Exposure Draft, 30 September 2004.

Australian Stock Exchange whose securities comprise both a share in a company and a unit in a managed investment scheme.

Consistently with this principle, our comments in this submission, although expressed as relating to companies relate also to managed investment schemes.

7. PROXY VOTING

The principal change proposed to the proxy voting provisions is to prohibit "cherry-picking", because this practice disenfranchises members.

However, the change proposed does not effectively secure the franchise of members. This is because the proposed new section 250A(4)(d) raises and does not effectively answer the same question as is already raised by section 250A(4)(c) namely, what is the position in relation to the resolution if, in spite of the statutory obligations, the proxy does not vote as directed?.

Certainly if the proxy does not vote as directed, an offence may be committed and there may even be, in certain circumstances, some rights which the appointor has against the proxy personally.

However, as far as the company is concerned, if the proxy does not vote then no vote is recorded and the member appointing the proxy is disenfranchised. If the policy of the legislation is (as it seems) to ensure that members can vote by giving a directed proxy to the chairman and that other proxies cannot "cherry pick" between directed proxies, then a better way to achieve that result may be a deeming provision. Such a provision would "deem" a directed proxy to be voted where:

- it is given to the chairman; or
- where it is given to another person who votes any one directed proxy and fulfils either (i) or (ii) of the proposed new section 250A(5)(d).

The company will have received all the proxies (which must be received by it before the meeting: section 250B) and the company will readily be able to tally all directed votes on a poll. In that way, the legislative purpose will be achieved and legal doubts will be removed.

Indeed, the deeming procedure could be applied more widely to secure complete enfranchisement of members who lodge directed proxies. This is because, if proxies are deemed to be voted on a poll, there is no need for concern that a blanket obligation could be too onerous, for example, where the appointee is unknowingly appointed, or is unable to vote: Outline of Exposure Draft Bill, paragraph 2.30.

Therefore, if all directed proxies are deemed to be voted on a poll, the proposed measure can be simplified, by omitting the penalties and by omitting the distinctions in proposed section 250A(5)(d).

Finally, we mention a minor drafting point about proposed section 250A. The explanation of voting "in any capacity" in proposed section 250A(4A) does not mention voting in the capacity of a corporate representative (see section 250D).

8. THE WORDING USED FOR THE 5% RULE

There are some technical inconsistencies in the wording of various sections in the description of the percentage of members who are given rights to requisition a meeting, call a meeting or have a statement circulated. Various sections refer to "members with at least 5% of":

- "the votes that may be cast at the general meeting" (section 249D(1)(a));
- "the votes that may be cast at a general meeting" (section 249F(1));
- "the votes that may be cast on the resolution" (section 249N(1)(a));
- "the votes that may be cast on the resolution" (section 249P(2)(a));
- "the votes that may be cast on the resolution" (section 252B(1)(b));
- "the votes that may be cast at a meeting of the scheme's members" (section 252D(1));
- "the votes that may be cast on the resolution" (section 252L(1)(a));
- "the votes that may be cast on the resolution" (section 252N(2)(a)).

In given circumstances, these expressions could mean different things and so impose different thresholds. For example, in calculating the 5%, should the shares held by persons who must not cast a vote on the resolution be excluded (eg section 224) or by persons who may not vote in favour of the resolution (eg section 258L and section 611 item 7)? The answer to this question may not necessarily be the same under each of the quoted provisions. Another example is preference shares, whose holders generally cannot vote at a general meeting, but may be able to cast a vote on a particular resolution, or on all resolutions at a particular meeting. Should their votes be counted in calculating the 5%? Again, the answer may not necessarily be the same under each of the quoted provisions. If the intention is to make all those provisions work in the same way, their wording should be reviewed to make them consistent.

Also, in section 249P (and in section 252N), "5% of the votes that may be cast on the resolution" does not work when what the members statement concerns is not a resolution but "any other matter that may properly be considered at a general meeting."

9. FURTHER INFORMATION

Please do not hesitate to contact Elizabeth Johnstone ((02) 9258 6443), Elspeth Arnold ((03) 9679 3295) or Corey Lewis ((03) 9679 3506).

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8 April 2005

ANNEXURE A

MEMBERS INVOLVEMENT IN CORPORATE GOVERNANCE (1999 to February 2005) ASX top 100 companies[1]

Year	Company	Section 249N resolution	Voting results	Proxies received
1999	Amcor Limited	Resolution 8: "That the Board recognise that Amcor's continuing use of logs from clear felled native forests and the accompanying degradation of key water catchments has a bad effect on the Company's reputation and will cut profits in future. Therefore the Board is asked to produce plans and make them available to shareholders for Amcor to rapidly phase out reliance on native forests until all fibre is sourced from plantation timber and recycled paper." Resolution 9: "That the Amcor Board take responsibility to ensure all logging on land it owns or leases conforms to at least the minimum standards set out in the current Victorian "Code of Forest Practices for Timber Production" (Revision No. 2, November 1996)."	Resolutions not passed on a show of hands	Resolution 8: For: 8.41% Against: 71.89% Abstaining: 5.95% Proxy's discretion: 13.76% Resolution 9: For: 8.66% Against: 71.64% Abstaining: 5.94% Proxy's discretion: 13.76%

[1] Excluding listed managed investment schemes and companies registered outside Australia.

Year	Company	Section 249N resolution	Voting results	Proxies received
2002	Commonwealth Bank of Australia	Proposed by 159 shareholders Resolution: "That the following clauses be added to the Articles of Association of Commonwealth Bank of Australia, after the final existing Article, and be numbered in continuing numerical sequence with the existing Articles: 1. The Company recognises that an efficient and successful business requires excellence in environmental performance. The Company believes that its long-term objectives for growth will best be achieved by full observance of its environmental responsibilities, even where short-term growth may be less robust than ordinary. Furthermore the Company recognises its special position in society and will seek to reflect community aspirations and concerns in its investment decisions. 2. For the purposes of clauses 3 and 4 below, "identified property" means any real property or any part of any real property that is of high conservation value and old growth forest as defined by the reserve system attached to this document [not attached here]. 3. Notwithstanding any provision to the contrary in these Articles, or the memorandum of association of the company, the directors shall not have the power to, and shall not, authorise any act of the company which will have the effect of causing the company to develop, clearfell, selectively log, or expend funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 2 above. 4. Notwithstanding any provision to the contrary in these Articles, or the memorandum of association of the company, the directors shall not have the power to, and shall not, authorise any act of the company which will	Resolution not passed on a show of hands	For: 22.75% Against: 67.49% Abstaining: 2.19% Proxy's discretion: 9.76%

Year	Company	Section 249N resolution	Voting results	Proxies received
		have the effect of causing the company to approve or ratify the development of, clearfelling of, selective logging of, or expenditure of funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 2 above by a subsidiary, joint venture, partnership, trust, or other entity in which the Company has a pecuniary interest. 5. Notwithstanding any provision to the contrary in these Articles, or the memorandum of association of the company, the directors shall not have the power to, and shall not, authorise any act of the company by which the Company shall provide funds to any company or other legal entity for the purpose of the development of, clearfelling of, selective logging of, or expenditure of funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 2 above."		
2002	National Australia Bank Limited	113 shareholders affiliated with the Wilderness Society Resolution: "THAT the following clauses be added to the Articles of Association of the National Australia Bank (*now known as the Constitution*) after the final existing Article, and be numbered in continuing numerical sequence with the existing Articles: 1. The Company recognises that an efficient and successful business requires excellence in environmental performance. The Company believes that its long-term objectives for growth will best be achieved by full observance of its environmental responsibilities, even where short-term growth may be less robust than ordinary. Furthermore the Company recognises its special position in society and will seek to reflect community aspirations and concerns in its investment decisions. 2. For the purposes of clauses 3 and 4 below, "identified property" means any	Resolution not passed on a show of hands	*On a poll*: For: 20.54% Against: 76.79% Abstaining: 2.66%

Year	Company	Section 249N resolution	Voting results	Proxies received
		real property or any part of any real property that is of high conservation value and old growth forest as defined by the reserve system attached to this document [not attached here]. 3. Notwithstanding any provision to the contrary in these articles, or the memorandum of association of the company, the directors shall not have the power to, and shall not, authorise any act of the company which will have the effect of causing the company to develop, clearfell, selectively log, or expend funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 2 above. 4. Notwithstanding any provision to the contrary in these articles, or the memorandum of association of the company, the directors shall not have the power to, and shall not, authorise any act of the company which will have the effect of causing the company to approve or ratify the development of, clearfelling of, selective logging of, or expenditure of funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 2 above by a subsidiary, joint venture, partnership, trust, or other entity in which the Company has a pecuniary interest. 5. Notwithstanding any provision to the contrary in these articles, or the memorandum of association of the company, the directors shall not have the power to, and shall not, authorise any act of the company by which the Company shall provide funds to any company or other legal entity for the purpose of the development of, clearfelling of, selective logging of, or expenditure of funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 2 above."		

Year	Company	Section 249N resolution	Voting results	Proxies received
2003	Boral Limited	Proposed by "Boral Green Shareholders" Resolution 8: "That the Board is to prepare a report to be issued by May 2004 and included in following Annual Reports. This is to include – • Measurable criteria associated with the results arising from Boral's Sustainability Self Diagnostic Tool (BSSDT) • Targets for the future • This report to be updated annually."	Resolution not passed on a show of hands	For: 10.19% Against: 80.75% Abstaining: 5.21% Open: 3.85%
2003	Boral Limited	Proposed by Shareholders associated with the Transport Workers Union (TWU) and "Boral Ethical Shareholders" Resolution 9: "That the Constitution of the Company be amended: (a) By inserting the words "including Article 145A," after the word "Constitution" in the first line of Article 145. (b) By inserting a new Article 145A as follows: "145A. The Board of the Company shall review its Health and Safety Management System in the manner detailed below, such review to be completed before the 2004 Annual General Meeting. A report thereon shall be provided by the Directors in the 2004 Annual Report:	Resolutions not passed on a show of hands	Resolution 9: For: 15.41% Against: 74.62% Abstaining: 5.72% Open: 4.25%

Year	Company	Section 249N resolution	Voting results	Proxies received
		i. By the formation of a Health and Safety Subcommittee of the Board of Boral Limited that is chaired by an independent non-executive director and consists solely of non-executive directors. ii. To appoint an independent safety expert who will audit the system in accordance with the Australian Standard. iii. To report in the 2004 Annual Report on key health and safety targets set by the sub-committee in a manner consistent with the Labour Practice and Decent work guidelines in the Global Reporting Initiative. iv. To report in the 2003 Annual Report on the company's performance against the key health and safety targets set by the sub-committee in a manner consistent with the requirements of the Global Reporting Initiative." Resolution 10: "That the Constitution of the Company be amended as follows: (a) That article 123(1) be amended by deleting the words: "Remuneration shall be paid to or provided for the Directors, other than a Managing Director or an Executive Director," and replacing it with "Remuneration shall be paid to or provided for all Directors" (b) That Article 147 be amended by deleting the words: "at such remuneration, whether by way of salary or commission on or percentage of profits but not by a commission on or percentage of turnover, as the Board thinks fit." and inserting in their place the words:		Resolution 10: For: 3.98% Against: 87.71% Abstaining: 4.23% Open: 4.08%

Year	Company	Section 249N resolution	Voting results	Proxies received
		"at such remuneration as the Company in General Meeting shall from time to time determine."" Resolution 11: "That the Company cease issuing any further options under the Boral Senior Executive Option Plan." Resolution 12: "That any subsequent form of long-term incentive plan for senior executives be put to shareholders for approval as an ordinary resolution at the Company's 2004 Annual General Meeting, and as required at subsequent Annual General Meetings should the details of the plan change." Resolution 13: "That the Company adopt a policy that any short-term incentive payable to an Executive Director be put to shareholders for approval as an ordinary resolution at the Company's 2004 Annual General Meeting, and thereafter as necessary each year." Resolution 14: "That the company amend its senior executive remuneration policy to link 30% of the short-term incentives to the achievement of safety targets set by the Health and Safety Subcommittee. This applies to all members of the Management Committee."		Resolution 11: For: 7.88% Against: 85.31% Abstaining: 2.84% Open: 3.97% Resolution 12: For: 5.94% Against: 86.86% Abstaining: 3.02% Open: 4.17% Resolution 13: For: 4.64% Against: 87.06% Abstaining: 4.23% Open: 4.06% Resolution 14: For: 17.19% Against: 74.22% Abstaining: 4.50% Open: 4.09%
2003	Commonwealth	Proposed by 104 shareholders affiliated with the Wilderness Society	Resolution not passed	For: 24.59%

Year	Company	Section 249N resolution	Voting results	Proxies received
	Bank of Australia	Resolution: "Be It Resolved That the Board of Directors issue a report (at reasonable cost and omitting proprietary information) to shareholders by May 1 2004 to include: a discussion of the direct and indirect environmental risks and opportunities that may significantly affect the company's short and long term value and how they might impact on the business; a description of the company's policies and procedures for managing direct and indirect risks to short term and long term value arising from environmental risks. Recognising the ongoing controversy surrounding the logging of our old growth forests; the range of issues covered by the report should also include but not be limited to: 1. The risk of engaging in any commercial relationship which approve or ratify the development of, clearfelling of, selective logging of, or expenditure of funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 3 by a subsidiary, joint venture, partnership, trust, or other entity in which the Company has a pecuniary interest. 2. The impact upon the bank of not engaging in any commercial relationship that shall have the effect of causing the company to develop, clearfell, selectively log, or expend funds on any activity which is likely to damage or destroy, "identified property" as defined in clause 3 below. 3. For the purposes of clauses 1 and 2 above "identified property" means any real property or any part of any real property that is of high conservation value and old growth forest as defined by the reserve system attached to this document [not attached here]."	on a show of hands	Against: 64.89% Abstaining: 4.11% Proxy's discretion: 0.52%

Year	Company	Section 249N resolution	Voting results	Proxies received
2004	BlueScope Steel Limited	120 shareholders affiliated with the Australian Workers' Union Resolution 4: "That the Company's Constitution be amended by: (a) inserting the words 'if that Director has been a Director of the Company for less than 10 years' after the word 're-election' in the second line of rule 11.4; and (b) inserting the sentence: 'Further, a person who has been a Director of the Company for 10 years or more is not eligible for election as a Director in any circumstances and is not eligible to be appointed as a Director under rule 11.8.' as a new paragraph at the end of rule 11.7" Resolution 5: " That the Company's Constitution be amended by inserting the sentence: 'Such retirement benefit or compensation shall not exceed twice the total remuneration paid to that Director in the 12 months prior to retirement, loss of office or death, unless approved by an ordinary resolution of the members of the Company.' immediately prior to the sentence commencing 'A retirement benefit' in the ninth line of rule 11.11." Resolution 6: "That the Company's Constitution by amended by: (a) deleting the word "or" at the end of rule 11.14(b); (b) deleting the period at the end of rule 11.14(c) and inserting in its	Resolutions not passed on a poll	Resolution 4: For: 7.91% Against: 91.79% Abstaining: 0.36% Resolution 5: For: 11.96% Against: 87.03% Abstaining: 1.01% Resolution 6: For: 8.96% Against: 90.68% Abstaining: 0.36%

Year	Company	Section 249N resolution	Voting results	Proxies received
		place "; or"; (c) inserting a new paragraph (d) in rule 11.14 as follows: '(d) is director of more than three other publicly listed companies or, if chairperson of another publicly listed company, if director of more than two, or chairperson of any, additional publicly listed companies. With respect to the Company's chairman, the office of Director becomes vacant if the chairman is chairperson of any other publicly listed company, or director of more than two other publicly listed companies.' (d) inserting the sentence: 'A Director who is a director of more than two other publicly listed companies, or the chairman of any other publicly listed company, is ineligible to be elected chairman of the Company.' after the first sentence in rule 13.17." Resolution 7: "That the Company's Constitution be amended by adding the sentence The total remuneration of a Managing Director or an Executive Director, including any non-statutory termination or retirement payments, must not exceed 20 times the average remuneration of all other employees of the Company, unless approved by an ordinary resolution of the members of the Company.' as a new paragraph after the final sentence of rule 12.11." Resolution 8: "That the Company's Constitution be amended by inserting a new rules 12.14 as follows: '12.14 Executive Remuneration The total remuneration, including any non-statutory termination or retirement		Resolution 7: For: 10.78% Against: 86.36% Abstaining: 2.27% Resolution 8: For: 10.84% Against: 87.09% Abstaining: 2.07%

Year	Company	Section 249N resolution	Voting results	Proxies received
		payments, of any officer or employee of the Company, other than a Director or Managing or Executive Director, must not exceed 20 times the average remuneration of all other employees of the Company unless approved by an ordinary resolution of the members of the Company. The Company must disclose in its Annual Report to members the total remuneration received by each of the Company's ten highest paid officers."		
2004	Commonwealth Bank of Australia	900 members affiliated with the Finance Sector Union Resolution: "That the Constitution of the Commonwealth Bank of Australia be modified by inserting, after article 21, a new article 22 as follows: **'22. Major Change Reviews** **22.1 Annual Major Change Reviews** (a) The Board shall, in each financial year (commencing in the year ending 30 June 2005), cause a review to be conducted of the impact of each major change program implemented or undertaken by the company in that year. (b) If a review under article 22.1(a) cannot be completed in the same financial year as the program was undertaken, it shall be completed in the subsequent financial year. (c) The Board shall include in each annual report of the company a report on the review or reviews undertaken in the financial year concerned.	Resolution not passed on a poll	For: 10.56% Against: 87.34% Abstaining: 2.10%

Year	Company	Section 249N resolution	Voting results	Proxies received
		22.2 Independent Expert to Conduct Review (a) For the purpose of article 22.1, the Board shall appoint an independent expert to conduct each review. (b) The independent expert engaged by the company to conduct a review shall be instructed to conduct, in relation to the company and of each Business Service Unit of the company, a quality audit of the impact of each major change program on: (i) staff levels; (ii) staff workloads; (iii) staff engagement and morale; (iv) customer service; (v) customer satisfaction and strength of relationship; (vi) 'cost to serve'; and (vii) such other matters as in the opinion of the independent expert are appropriate to be considered having regard to the nature of the program.		

Year	Company	Section 249N resolution	Voting results	Proxies received
		22.3 Consultation with Finance Sector Union The independent expert engaged by the company to conduct a review shall be instructed to consult with representatives nominated by the Finance Sector Union of Australia for the purposes of assessing the impact of the program on the matters referred to in article 22.2(b)"'		
2005	National Australia Bank Limtied	Proposed by 179 shareholders affiliated with the Australian Shareholders' Association Resolution: "THAT Mr Geoffrey Tomlinson be and is hereby removed from office as a director of the National Australia Bank Limited."	Resolution not passed on a show of hands	*On proxy votes*: For: 37.16% Against: 56.18% Abstaining: 5.71% Proxy's discretion: 0.96%