

Guidelines for notices of meeting

1. Notices of meeting must be honest, accurate and not misleading. Relevant information should not be withheld or presented in a manner designed to mislead shareholders or the market as a whole.
2. Notices must clearly state and, where necessary, explain, the nature of the business of the meeting. They should be prepared in accordance with the following:
 - 2.1. If the resolutions are mandated by the Corporations Act, the company's constitution or the ASX Listing Rules, explanatory notes on each resolution should be provided to shareholders.
 - 2.2. A notice of meeting must comply with the relevant principles of the Corporations Act, including the requirements of sections 249L and 249Q, the common law and the ASX Listing Rules. Section 249L requires a notice of meeting to state the general nature of the meeting's business and section 249Q requires that a meeting of a company's shareholders must be held for a "proper purpose".
3. Notices must set a reasonable time and place for the meeting. Accordingly:
 - 3.1. Reasonable notice must be given. Section 249HA of the Corporations Act requires that at least 28 days notice be given of a meeting.
 - 3.2. Meetings should be held during normal business hours and at a place convenient for the greatest possible number of shareholders to attend. Usually this place would be in the city where the head office of the company is situated or where the majority of individual shareholders reside. Companies may also periodically hold meetings in other places where a significant number of shareholders reside.
 - 3.3. Companies should use their best endeavours to use relevant technology to enable a maximum number of shareholders to attend and participate (as far as technology effectively allows) at meetings.
4. Notices should encourage shareholders' participation either through direct voting or the appointment of proxies. Accordingly:
 - 4.1. The notice of meeting should include a clear reference to the shareholders' rights to appoint a proxy, or where the constitution so provides, to cast a direct vote which is not dependent on the actions or attendance of an appointee.
 - 4.2. Companies should consider allowing shareholders to lodge direct votes or proxies electronically, subject to the adoption of satisfactory authentication procedures.
 - 4.3. Companies should encourage shareholders appointing a proxy to consider how they wish to direct the proxy to vote. That is, whether the shareholder wishes the proxy to vote "for" or "against", or abstain from voting on, each resolution, or whether to leave the decision to the appointed proxy after discussion at the meeting. If the instruction is to abstain from voting, companies should state whether such votes will be counted in computing the required majority on a poll.
 - 4.4. Voting forms should be drafted in such a way as to ensure the shareholder clearly understands how the chairperson of the meeting intends to vote undirected proxies.
 - 4.5. Companies are encouraged to take guidance from the Chartered Secretaries Australia best practice direct voting and proxy form available on that organisation's website, www.csaust.com.
5. Companies should adopt best practice drafting methods for notices of meeting. These include:
 - using plain English to clearly and simply communicate relevant information
 - avoiding legal archaisms such as "aforesaid", "abovementioned", "hereafter", "hereinafter", "hereunder", "herewith", "thereby" and "pursuant"
 - avoiding unnecessary repetition
 - employing a structure and format that ensures readability and ease of understanding by shareholders; this would include making use of layout elements such as:
 - appropriate spacing, indenting, highlighting, headings and numbering
 - a uniform and easily legible font

- correspondingly sequential treatment of resolutions in any explanatory statements.
6. Companies should combine or “bundle” resolutions in a notice of meeting only in limited circumstances and in accordance with the following guidelines:
 - 6.1. Companies should avoid “bundling” resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. An example of an appropriately bundled resolution is one that incorporates a number of uncontroversial changes to a company’s constitution or the adoption of a new constitution, or approving a scheme of arrangement.
 - 6.2. Where resolutions are “bundled”, the company should ensure the notice clearly explains the primary purpose of the bundled resolution and the material implications of each of its components.
 - 6.3. The following categories of resolution should not be bundled, but always be dealt with as separate items of business, each with a distinct explanation provided.
 - a. To issue options with participation rights, under Listing Rule 6.20.3.
 - b. To issue unquoted options with exercise price variation terms not in accordance with Listing Rule 6.22.2, under Listing Rule 6.22.3.
 - c. To change options under Listing Rules 6.23.2 or 6.23.4.
 - d. To approve an issue under an employee incentive scheme, under Listing Rule 7.2 Exception 9(b), where directors have an interest.
 - e. To approve a transaction with, or issue of securities to, a person in a position of influence under Listing Rules 10.1 (acquisition and disposal of substantial assets), 10.11 (issues of securities to related parties), 10.14 (issues of securities to related parties under an employee incentive scheme), 10.17 (non-executive directors’ remuneration) or 10.19 (termination benefits).
 - f. To approve the terms of issue of preference shares not provided for in the company’s constitution (section 254A (2) Corporations Act), or a change to the company’s constitution that has the same effect.
 - g. To issue a new class of shares not already provided for in the company’s constitution (section 246C (5) Corporations Act), or a change to the company’s constitution that has the same effect.
 - h. To approve a buy-back (sections 257C or 257D Corporations Act).
 - i. To approve the giving of financial assistance (section 260B Corporations Act).
 - j. To appoint or remove directors - each candidate for appointment or removal will require a separate resolution (see guidelines 7 and 8 below).
 - k. Other resolutions in relation to which a director or senior executive has an interest.

This list is not exhaustive; bundling of resolutions should always be considered by reference to the general guidelines set out above.
 7. Companies should give clear guidance in notices of meeting containing resolutions for the election of directors, as follows:
 - 7.1. Companies should ensure that each candidate for election be considered separately in a distinct resolution, except as contemplated by 7.2.
 - 7.2. Where the number of candidates for election exceeds the number of available positions on the board, the notice should provide clear guidance on the voting method by which the successful candidates will be selected at the meeting as well as the method to be used for the counting of votes.
 - 7.3. The views of candidates standing for election as directors without the support of the board should fairly and equitably represent the views of candidates .
 8. Companies should give clear guidance in notices of meeting containing resolutions for the removal of directors.
 - 8.1. Companies should ensure that each candidate for removal be considered separately in a distinct resolution, and that the notices of meeting fairly and equitably represents the views of the director.

- 8.2. Companies should be aware that they are required to circulate to all shareholders any written statement provided by a director named in a removal resolution under section 203D(4) of the Corporations Act representing his or her views on the proposal.
9. Companies should ensure notices give clear guidance on directors' recommendations on resolutions.
 - 9.1. Where recommendations are specifically required, notices should contain adequate representation of the views of all assenting and dissenting directors on specific resolutions. Notices should make it clear whether represented views are those of an executive director, a non-executive director or an independent director. The notice should present a balanced view on the merits of the proposal.
 - 9.2. Companies would not be expected to present the contrary view in a notice of meeting where directors unanimously support a resolution, but the notice of meeting should, nevertheless, present a balanced view and be forthcoming about any significant disadvantages.
 - 9.3. Guidance on directors' recommendations should be placed at the end of the explanatory note on each resolution.
10. Companies should give particular attention to notices containing complex resolutions.
 - 10.1. Examples of complex resolutions include those requiring an independent expert's report under the Corporations Act takeover provisions or ASX Listing Rule 10.1, those seeking to amend companies' constitutions in respect of proportional takeovers, and resolutions seeking to alter companies' capital structures.
 - 10.2. Notices containing such resolutions should always include a "short form" explanatory statement setting out concisely and clearly the nature of the meeting business and its ramifications for the company.
 - 10.3. Companies should encourage independent experts to preface their reports with a concise executive summary of their findings. Companies should not provide their own summaries of independent experts' findings in explanatory statements.
11. Companies should ensure notices give clear guidance on shareholders' conflicts of interest to the extent that they are known to the company and clearly state which shareholders will be excluded from voting or have their votes disregarded.
 - 11.1. Any conflicts of interest of directors and their associates and senior executives should be clearly outlined. The Corporations Act and ASX Listing Rules contain specific provisions outlining those parties who may be excluded from voting on a resolution in which they may have an interest or receive a benefit disproportionate to other shareholders.
 - 11.2. The question of who may be excluded from voting or whose votes will be disregarded can be an important factor in a shareholder's determination whether to attend a meeting or appoint a proxy. Best practice would require voting exclusion statements to be contained in the notice itself and be located immediately adjacent to the relevant resolution.
 - 11.3. It is quite acceptable, but not essential, for voting exclusion information to be also contained in any explanatory statement.
12. Companies should endeavour to send notices of meeting to shareholders by electronic means if requested, and should place the full text of notices and accompanying explanatory material on the company website. Companies should also consider distributing explanatory material by other means, so that shareholders who do not have access to the Internet and other forms of electronic communication are not disadvantaged. By allowing shareholders to receive notices of meeting and annual reports by electronic means and vote electronically, a company can provide shareholders with more immediate access to the documents and a more convenient method of voting. It will also reduce printing and distribution costs.
 - 12.1. Companies should encourage shareholders to request that notices of meeting be sent to them by electronic means on an "opt-in" basis. Shareholders must be able to change that election at any time, and have the right to request a paper version of a document that has been sent electronically.

- 12.2. Companies are required by the ASX Listing Rules to release full notice documentation to the ASX Companies Announcements Office.
- 12.3. In addition, companies should place this material on their website in a prominent and accessible position for shareholders and other market participants who may be considering an investment in the company, or should refer to the ability to download the notice from ASX's website, www.asx.com.au.

2 August 2007