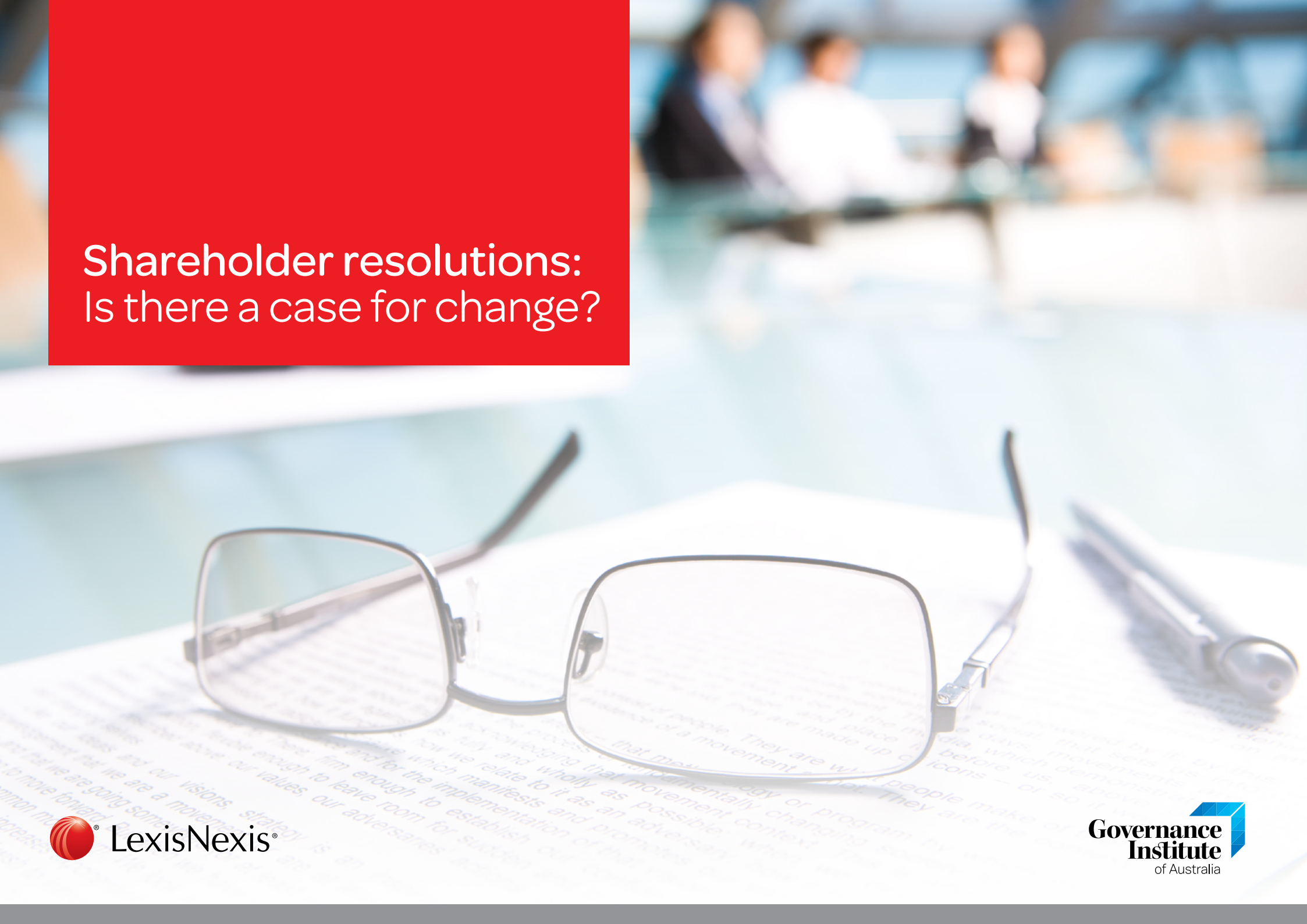
Shareholder resolutions:
Is there a case for change?



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BACKGROUND TO THE DISCUSSION

There has been an increase both in Australia and overseas in the number of shareholders seeking to put resolutions to Annual General Meetings (AGMs) on a range of issues. Many of these resolutions relate to environmental, social and governance (ESG) matters. In Australia, these proposals are generally in the alternative: firstly, an amendment to a company's constitution by way of a special resolution and, secondly (if the first resolution is passed) a resolution requiring some form of disclosure or an action by a company.

In its paper *Shareholder resolutions in Australia, Is there a better way?* (ACSI Paper), the Australian Council of Superannuation Investors (ACSI) outlined its concerns about the current framework surrounding these resolutions and proposed a range of options to address its concerns.[1] They are:

Option 1 - a general right to move non-binding resolutions on a broad range of topics
Option 2 - a non-binding vote on the annual report
Option 3 - a non-binding vote on a sustainability or ESG report
Option 4 - a right to move binding, directive proposals

Governance Institute's members acknowledge investors' and other stakeholders' interest in issues such as sustainability, climate risk and efforts companies are making to ensure that there are no modern slavery practices in their supply chains. They also recognise the desire of investors for greater transparency from companies on these issues. However, its historical policy position has been there is no pressing need for legislative change to provide shareholders with greater scope for passing non-binding resolutions at AGMs.[2] While its members support the underlying aims of many of these resolutions, the desire for greater transparency and better access to companies to engage on non-financial risks, they question whether ACSI's proposals will achieve these aims.

1 See *Shareholder resolutions in Australia, Is there a better way?* Australian Council of Superannuation Investors, October, 2017.

2 See *The AGM and Shareholder Engagement*, 2012 at pages 27 and 47 at www.governanceinstitute.com.au.

GOVERNANCE INSTITUTE'S CURRENT POLICY POSITION AND ACSI'S PROPOSALS

Governance Institute considers that there are a range of views and issues surrounding each of ACSI's proposed Options:

- If one motivation for putting these resolutions on AGM agendas is to increase or improve ESG disclosure, there are several existing frameworks under which listed companies consider and make disclosures on these issues. For example, the ASX Corporate Governance Council's (Council) Corporate Governance Principles and Recommendations[3] (Principles and Recommendations) and the requirement to consider the inclusion of climate risk disclosure in their operating and financial review.[4] The Council is currently consulting publicly about the fourth edition of the Principles and Recommendations and proposes including more guidance on sustainability disclosures in Principle 7 and greater guidance on the disclosure of climate change risk (carbon risk).[5] Our members consider that the preferred approach on these disclosures is the 'if not, why not' approach in the Principles and Recommendations and query whether changing the law to enable these resolutions on AGM agendas is more likely to achieve better ESG disclosure. As a practical matter they also consider that there is currently limited appetite and scope for amending the Corporations Act.
- The Council also proposes a greater recognition in the forthcoming fourth edition of the importance of the social licence to operate and the impact of community expectations on ethical behaviour, the treatment of fellow humans and the environment. The scope and nature of ESG reporting is changing and evolving rapidly globally. These changes are driven by a range of forces including increased regulatory, community, investor and other stakeholder expectations. For example, many companies are currently considering the recommendations of the Task Force on Climate-related Financial Disclosures.[6] Similarly the Government has announced the introduction of legislation for a modern slavery reporting requirement in Australia.[7]

3 *Corporate Governance Principles and Recommendations*, 3rd edition, 2014 – for example, Principle 3 and Recommendation 7.4.

4 ASIC Regulatory Guide 247 *Effective disclosure in an operating and financial review*, which notes at RG 247.63, that such reviews should discuss environmental and other sustainability risks where those risks could affect the entity's achievement of its financial performance or outcomes disclosed, taking into account the nature and business of the entity and its business strategy.

5 See the consultation material at https://www.asx.com.au/regulation/corporate-governance-council/review-and-submissions.htm. See also the Report of the Senate Economics References Committee *Carbon risk: a burning issue* at https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Carbonriskdisclosure45/Report.

6 *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures*, June 2017 at https://www.fsb-tcfd.org/.

7 The Commonwealth Attorney-General released a public Consultation Paper Modern Slavery in Supply Chains Reporting Requirement in late 2017. See also https://www.homeaffairs.gov.au/consultations/Documents/modern-slavery/modern-slavery-reporting-requirement.pdf.

- Another potential driver of these resolutions is the desire of NGOs and other special interest groups for better access to companies to engage on non-financial risks. Our members acknowledge that the existing investor relations approach of many large listed companies touches on the top 20-50 shareholders at best, and gives limited avenues for retail holders and other stakeholders to engage in a meaningful way. If engagement practices were to improve, the need for these shareholder requisitioned resolutions may decrease.
- There is an existing framework for dealing with shareholder resolutions. Shareholders already have several existing rights under the Corporations Act: the right to put resolutions to the AGM, the non-binding vote on the remuneration report and the right to re-elect directors. These types of resolutions have generally had a low level of shareholder support and have rarely been passed but generate significant costs (direct costs such as production and postage of additional material for AGMs and indirect costs relating to management time and distraction) for companies and their shareholders. Is this an appropriate use of companies' resources?
- A further concern is how to avoid 'nuisance' or 'spurious' resolutions.[8] Dealing with these resolutions takes a significant amount of time and effort. Our members consider that there is a real possibility that these resolutions could be advanced by single issue groups or groups with an agenda other than improved reporting or activity on ESG issues. One possible safeguard could be regulatory review as is the case in the US where once a proposal is lodged, a company can seek an informal review of the proposal from the Securities Exchange Commission. However, the engagement culture and regulatory framework in the US and Australia are quite different. Australian companies have a developed culture of shareholder engagement, particularly with institutional investors.[9] Regulatory review may seem like a practice that might assist in reducing the incidences of frivolous applications, but may not be practical in Australia.
- While some long-term shareholders genuinely focussed on creating long-term value have supported these resolutions, they also have

8 See the comments from fund managers in the ACSI Paper at page 9.

9 See *Improving engagement between ASX-listed companies and their institutional investors: Principles and Guidelines*, Governance Institute of Australia, July 2014.

- While some long-term shareholders genuinely focussed on creating long-term value have supported these resolutions, they also have the potential to be misused by 'five-minute shareholders'.[10] Data obtained from a sample of data from our members from 2017/2018 AGMs indicates that in some cases, resolutions were proposed by shareholders holding very small parcels of shares for short periods of time. The costs and management distraction involved in dealing with single issue short-term shareholders are substantial and unlikely to lead to a desirable outcome. Under the current framework for considering these types of resolutions there has generally been no change.
- Our members consider ACSI's Option 2 of a non-binding vote on the annual report as problematic given the widely varying content and structure of companies' annual reports, it may be unclear exactly what shareholders would be voting on (or voting against). It is also worth noting that under the Corporations Act, listed companies must present the annual financial statements to the AGM and there is a non-binding vote on the remuneration report which has proved to be a powerful method of shareholders expressing their dissatisfaction.
- ACSI's Option 4 goes go to the heart of who is running the company – the board or shareholders? There is a clear distinction in the Corporations Act between directors, responsible for running the company's business and exercising all its powers (except those required to be exercised in a general meeting) and shareholders. In practice, the result of this separation is that the board and management (as the board's delegates and agents) are responsible for the day-to-day management of a company. Any other result presents difficulties. Granting shareholders the right to propose resolutions about the detail of managing a company not only impinges on this clear separation between the board and shareholders, but may decrease, rather than increase, shareholder value.[11]
- Directors have a range of common law and statutory duties as well as an overriding obligation to act in the best interests of a company. Shareholders do not have these duties. What might be in the interests of a particular shareholder or group of shareholders proposing a resolution may not be in the best interests of the company as a whole.

"Granting shareholders the right to propose resolutions about the detail of managing a company not only impinges on this clear separation between the board and shareholders, but may decrease, rather than increase, shareholder value."

Given the issues relating to legislative change, improved ESG transparency could be addressed by the additional guidance in the forthcoming revision of the Principles and Recommendations. They have had a positive impact on Australian governance practices since they were issued in 2003. Their strength is that they lead rather than lag the market and are a consensus position supported by a broad range of market participants and other stakeholders. The Principles and Recommendations may also be a suitable location for references to existing sources of guidance on better engagement practices including references to existing material. Nudging market participants towards improved practices is frequently more effective than additional black letter law.

10 See comments by Pru Bennett in *Blackrock backs shareholder vote call – with limits*, Sydney Morning Herald, 6 November 2017.

11 There is also a line of case law to the effect that the power of the general meeting to give directions to the board by resolution has been interpreted as subordinate to the board's management power. See Boros, Elizabeth, *How does the division of power between the Board and General Meeting operate?* (2010) 31 *Adelaide Law Review* 169 at page 171.

DETERMINING IF THERE IS A CASE FOR CHANGE

Governance Institute is of the very strong view that now is the appropriate time for all stakeholders to consider their policies in relation to shareholder resolutions and has partnered with Lexis Nexis to produce this green paper to promote further debate and consultation on what is emerging as a critical aspect of shareholder engagement.

To this end, Governance Institute and Lexis Nexis convened a Roundtable of distinguished participants to determine if there is a need to depart from its current policy settings and if so, consider alternatives to legislative change. We consider that there is limited appetite or indeed political will for change of the Corporations Act which inevitably takes time and is likely to be overtaken by market and other developments. Governance Institute also surveyed members to capture their views about ACSI's four options and related issues.

WHAT THE SURVEY FOUND

As the following analysis indicates, the survey shows that governance and risk professionals are sharply divided and hold strong views about a range of issues affecting shareholder resolutions, including ESG issues, the role of institutional investors, ACSI's proposed options, legislative change and the role of the regulator.

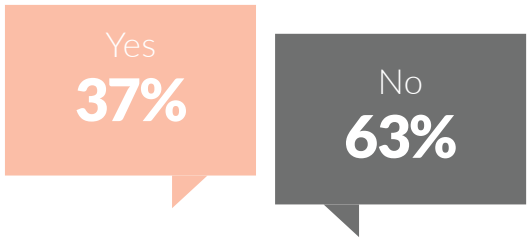
Almost two thirds (63 per cent) of those who responded to the survey believe shareholders currently have a sufficient voice on ESG issues in relation to listed companies, with the prevailing view being that ESG decisions are a board matter and that there are currently sufficient avenues for shareholders to pursue these matters.

Some of the commentary from those who do not believe shareholders have sufficient voice on ESG issues in relation to listed companies included:

- The way that a company is governed and how it manages its short, medium and long-term risks should be visible and should be able to be influenced by shareholders
- Constitutions and the Corporations Act basically state that the management of the company is in the hands of the CEO and management team, and
- Shareholders generally have little voice in the management of a listed entity.

Those who do believe shareholders have a sufficient voice on ESG issues in relation to listed companies made observations including:

- I don't want a minority of green socialists [sic] shareholders implementing their social agenda via a company



Would you support legislative change to give shareholders a greater voice on ESG issues?

- Shareholders hand control of the company to the board under the rules of the constitution. They should trust the board to run it with full responsibility and authority, and
- This will vary between listed companies, but most major listed companies will have an established arrangement for engagement with their major shareholders.

When asked if they would support legislative change to give shareholders a greater voice on ESG issues, 63 per cent said no and 37 per cent said yes.

Amongst the responses from those who would not support legislative change were remarks such as:

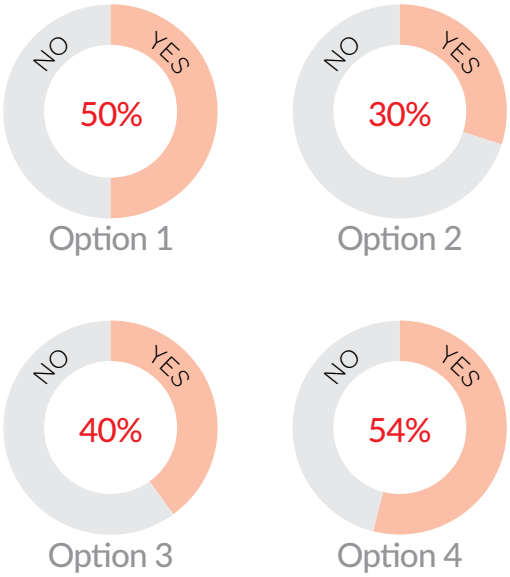
- I do not support shareholder activism to promote broader societal change
- Compliance is already a large issue for most listed companies, and
- Legislative change is too blunt an instrument. The change should be in the culture of the board to open itself to assessment and criticism.

Additional commentary from those respondents supporting legislative change included:

- Without legislative power boards will not change
- Currently the only avenue is a special resolution and then a non-binding resolution and this is not the best use of company resources, and
- It should be enshrined in law to make it fully effectual.

When asked to select which of ACSI's proposed four options they favour, with the ability to choose more than one option:

Which of ACSI's proposed four options do you favour?



- 50 per cent support a general right to move non-binding resolutions on a broad range of topics (Option 1) requiring > 50 per cent of the vote to pass
- 30 per cent support a non-binding vote on the annual report requiring (Option 2) > 50 per cent of the vote to pass
- 40 per cent support a non-binding vote on a sustainability or ESG report (Option 3) requiring > 50 per cent to pass
- 54 per cent support a right to move binding, directive proposals (Option 4) requiring > 75 per cent to pass

Interestingly there was almost equal support for Options 1 and 4 which might be seen as at opposing ends of the spectrum of possible legislative change. Some of the reasons provided for these responses included:

- Seriously what is the point of a non-binding vote
- No legislative change is necessary or desired
- None of the above. All these are simply avenues for barrow pushers and troublemakers to raise supposed ideas
- The purpose of passing shareholder resolutions should be binding or it will be a waste of shareholders' time, and
- We need to balance the resources required to deliver such reporting/proposals and the associated voting arrangements with shareholder interest or apathy.

Asked if there should be legislative change allowing shareholders to move non-binding resolutions, what sort of conditions did respondents think should apply before they can exercise these rights?

- 25 per cent said increasing the threshold by requiring requisitioning shareholders as a group to hold a minimum of the lower of 5 per cent of the issued capital or the aggregate shareholding of the directors of the company
- 22 per cent said increasing the threshold by requiring requisitioning shareholders as a group to hold a minimum of 1 per cent of the issued capital of the company which they have held for at least 12 months before submitting the proposal
- 30 per cent said removing the ability of 100 members to move resolutions at AGMs and only allowing shareholders representing 5 per cent of the issued capital to move resolutions, and
- 39 per cent do not support legislative change.

Some of the reasons provided for these responses included:

- A 5 per cent ownership or more of listed shares in a company listed on the ASX is now the norm to advise the ASX and all shareholders of any major change in ownership. It stands to reason that this should be the minimum vote required by owners to move resolutions
- Mandatory reporting around requirements on policies, targets and achievement
- It should be made clear that the board can accept a proposal from less than the 5 per cent, and
- I repeat I don't want a handful of green socialists led by academics and public servants using binding or non-binding resolutions to advance their social agenda

Asked if ASIC should have a role in vetting proposed resolutions, 74 per cent said no while 26 per cent said they should.

Additional commentary included:

- If there is to be legislative change that expressly contemplates non-binding resolutions, it needs to clearly set out the implications and consequences of a non-binding resolution for the company and its directors
- A 5 per cent threshold is too high. Even 1 per cent for a big company requires a lot of shares and shareholders, and
- ASIC is a corporate regulator, not some arbitrator of social norms and culture.

Asked if there is a role for institutional investors in relation to shareholders having a greater voice on ESG issues, 45 per cent said yes and 55 per cent said no, again indicating strong opposing views.

Additional commentary included a range of views about the role of institutional shareholders:

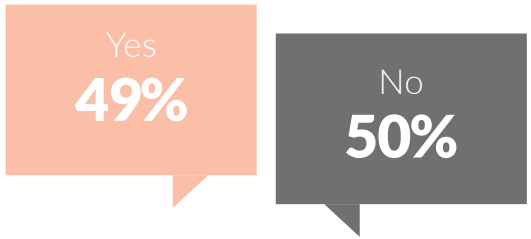
- No preference should be given to institutional shareholders. All shareholders should be treated equally

- Their job is to maximise the return on the funds of which they are supposed trustees, and
- Yes, early and constructive engagement should be pursued by institutional investors on issues of concern to them, rather than supporting requisitioned resolutions having made no attempt to engage the company about the resolution.

Again, respondents were sharply and almost evenly divided when asked whether a greater capacity to move non-binding resolutions would have a significant impact on directors' duties and responsibilities with 49 per cent saying yes and 50 per cent saying no.

Commentary from both sides of the argument included:

- Directors still need to act in the interests of the company, not vocal minority groups
- The impact of the ability of shareholders to move non-binding resolutions will be on directors' behaviour and could lead in the direction of the 'two-strikes' rule that we see in relation to remuneration. The directors have an obligation to see that the company is well managed, not to manage the company itself
- This would blur the rights and duties of shareholders and the rights and duties of the board, and
- Potential for action in court when directors choose to ignore the non-binding resolution.



Would a greater capacity to move non-binding resolutions have a significant impact on directors' duties and responsibilities?

SYNOPSIS OF VIEWS EXPRESSED AT THE ROUNDTABLE

The Roundtable discussion confirmed that there is currently no consensus as to whether reform of the current framework for shareholder resolutions is required, or if required, what form this should take.

In its opening remarks, ACSI maintained that its asset managers, many of which represent institutional and retail investors, are of the strong belief that the current system is not optimal.

> *"...when they looked at that system as against what appears overseas, they felt the Australian system is clunky. But these resolutions are a fact of life. Even in the current situation we're seeing an increase in number. Access to the ballot is a fact of life in Australia ... With a hundred shareholders you can propose a constitutional amendment, so these issues or shareholder proposals are happening ...So really, we felt why not start a conversation about how to deal with some of these concerns and some of these procedural issues. I know from a lot of the company secretaries around the table, there are headaches ... and a lot of institutional investors have concerns."*

> *"... Our view is a regulatory discussion or conversation on a regulatory or market wide solution is far better than company by company change one at a time ... We felt this paper was a good starting point for a discussion on how to solve some of these issues ... We didn't come out and draft legislation. We are at A and we need to be at B. We thought a conversation on how we improve on the status quo was a good starting point."*

A number of the Roundtable participants consider that shareholder resolutions are here to stay, but acknowledged that they are a blunt instrument. There was much discussion about the best ways to deal with them more effectively. Most agreed that the requirement for a constitutional amendment is an artifice that could be removed if the threshold for bringing these resolutions were higher. Governance and risk professionals and institutional investors were concerned that these resolutions should not be used by special interest groups to 'hijack' the AGM to pursue societal issues. This view was reinforced in a subsequent member survey. Based on the variety of views at the Roundtable, it is difficult to be convinced that any departure from Governance Institute's current policy setting outlined earlier in this paper is warranted.

"I don't see the problem. You say that the number of shareholder resolutions is increasing but there were only 7 last year out of the Top 300. Of those 7, only 2 engaged directly with the company. Why couldn't the remaining 5 have come to the AGM and spoken directly about the issues they are concerned about?"

"I'm concerned that we have self interest groups using a corporate governance process for interests that are not aligned with shareholder interests. As a consequence some institutional investors see that as useful as they don't have to identify themselves as the ones raising the issue. For example, engagement with a company would be better served if it wasn't seen as environmentalists raising concerns then institutions voting out of the blue."

"We've got very effective mechanisms already in place for engaging with the shareholders. We tell shareholders that the primary mechanism is the AGM and it is an incredibly powerful tool if companies and shareholders mutually engage in it. It's your opportunity to come to ask questions to have had all the reports ahead of the meeting, the annual report, the sustainability report, other reports. Ask questions, you can submit questions ahead of time, we've got technology now helping shareholders to be able to join that AGM from anywhere in the world. We got this incredible mechanism in the AGM which provides a very effective engagement tool with those few retail shareholders who do turn up because institutional investors don't come".

Governance and risk professionals also raised the issue of costs which can be substantial.

"These resolutions come in right at the last minute. You usually have to reprint notices, get legal advice and do supplementary mail-outs.[12] It's a huge cost and it's a huge distraction so you need to strike a balance between legitimate interest of shareholders and misusing a process."

Institutional investors support transparent dialogue.

"I think there's probably some truth that the institutions are sticking their necks out. But it seems entirely reasonable that some other escalation point - and it doesn't even matter whether it's an activist group or not - that's raising an issue of significant concern to them that allows shareholders to have a vote that is transparent to all we represent because it's not, as I said, our money it belongs to working Australians through their superannuation. For many years there has been engagement behind closed doors. … We need a place that is halfway between the extremes closed door engagement on one hand and voting directors off the board on the other."

12 One Roundtable participant cited the examples of Commonwealth Bank of Australia with approximately 8000,000 shareholders and BHP with approximately 600,000 shareholders.

"Where the company thinks it is a legitimate issue to hear a transparent and collective voice of shareholders then put it on the agenda. That way it is open to everyone to form their own views about whether their superannuation funds are representing their issues appropriately and whether the companies are listening to the concerns of shareholders appropriately. I think we've all been in the situation where on the one side companies will say shareholders never ask about these issues, and then on the other side shareholders will say "Oh yes we engage intently all of the time." I think the public, whose ultimately money it is, are right to be cynical about all of that. So that's where I think there's a more fundamental issue that sits there and maybe this is the right answer or maybe there's some other answer, but I think that that's one of the issues that we really need to address; is how do we restore trust in this type of institutional shareholder arrangement?"

"The market needs trust and transparency. In this process of environmental and social issues, shareholders are genuinely interested. They're not silly enough, if a fringe group wants to close shale oil or whatever it is, institutional shareholders will see through that. So, the whole process I see in this discussion is to open up trust in boards and companies dealing with the issues that shareholders are interested in. But how do you do that?"

Roundtable participants also discussed the thresholds for bringing shareholder resolutions extensively. Various permutations were canvassed: increasing the threshold from 100 members to one per cent or five per cent of members or setting the threshold at the greater of five per cent of members or the aggregate of directors' holdings. Most governance and risk management professionals agreed that if the threshold were increased, the need for the special resolution to approve a constitutional amendments could be removed, but again, there was no consensus as to what thresholds would be most appropriate. Some possible thresholds were explored in the Governance Institute member survey. There was also a level of support for introducing a time period for holding shares before bringing a resolution to discourage 'five-minute' shareholders, but some potential practical difficulties were noted. Support was also expressed by both governance and risk management professionals and investor interests for legislative amendments to allow companies to deal with these resolutions.

In addition, those at the Roundtable recognised that retail investors do not have the same 'voice' or access as institutional investors and there was discussion about how this imbalance might be corrected.

"The hot button political issue ... it's around perceptions that institutional investors get access to important information that retail don't. And the nuances of what's material information and what's not is not well appreciated and the fact that institutional investors can have secret conversations with company directors that retail investors are not privy to."

Despite robust discussion and debate, the Roundtable did not achieve consensus either about the case for change or what that change might look like. There was some feeling that the current system needs streamlining, but no consensus on what form that streamlining might take, indicating that significantly more engagement and consultation is required to ensure the right policy settings are in place to adequately address this significant shift in shareholder engagement.

CALL FOR SUBMISSIONS

Governance Institute encourages key stakeholders and other interested parties to participate in this discussion and looks forward to receiving submissions.

To complete your submission, simply complete the editable PDF, save it and email it to catherine.maxwell@governanceinstitute.com.au.

Submissions are due 7 September 2018.

The purpose of this paper is to further the discussion initiated by the ACSI paper *Shareholder resolutions in Australia, Is there a better way?* in October 2017. In addition, it documents Governance's Institute's response to the ACSI paper, provides feedback from the Governance Institute/LexisNexis® Roundtable where key stakeholders explored a range of views and the survey of Governance Institute's members' seeking their views on the four Options proposed in the ACSI paper and some possible thresholds for these resolutions raised at the Roundtable.

While shareholder resolutions are a relatively new phenomenon in Australia, there is a long history of using resolutions to pressure companies to address what are primarily ESG issues in the United States. They are also common in the United Kingdom. The question is therefore, is there a case for change to amend the policy settings for shareholder resolutions?

Submissions are invited on the following questions:

1. Do you believe there is a case for change?
   - ☐ Yes
   - ☐ No

   Please explain why. _____

   _____

2. If the majority view is that there is no compelling case for change, do you believe additional measures could be considered to give shareholders a stronger voice on ESG issues?
   - ☐ Yes
   - ☐ No

   If yes, what mechanism do you believe could be considered?

   _____

3. Do you consider shareholders should be able to bring these resolutions without the need for a constitutional amendment?
   - ☐ Yes
   - ☐ No

   Please provide your reasons. _____

   _____

4. Should the timetable for lodging shareholder requisitions be extended to give companies more time to respond?
   - ☐ Yes
   - ☐ No

   If yes please advise what length of time would be appropriate.

   _____

5. Do you support introducing thresholds requiring requisitioning shareholders to hold shares for a minimum period of time?
   - ☐ Yes
   - ☐ No

   Please provide reasons. _____

   _____

   _____

6. Do you support introducing thresholds requiring requisitioning shareholders to hold a minimum shareholding?
   - ☐ Yes
   - ☐ No

   Please provide reasons. _____

   _____

   _____

Shareholder resolutions: Is there a case for change?

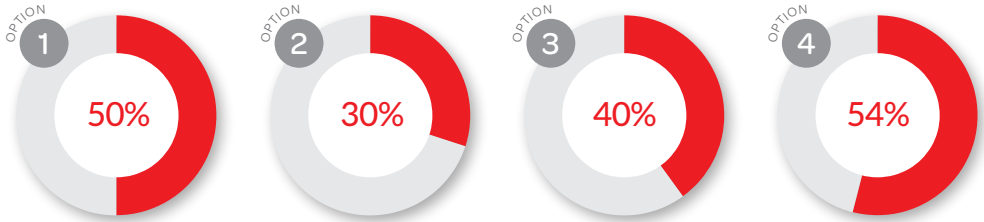
Governance Institute and LexisNexis® surveyed governance and risk professionals and discovered that they are sharply divided and hold strong views about a range of issues related to shareholder resolutions, including the current mechanism for shareholders to voice their concern regarding ESG issues, the role of institutional investors, legislative change and the role of the regulator.

37%

63%

When asked if they would support legislative change to give shareholders a greater voice on ESG issues, 63 per cent said no and 37 per cent said yes.

When asked to select which of ACSI's proposed four options they favour, with the ability to choose more than one option:



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40 per cent support a non-binding vote on a sustainability or ESG report requiring > 50 per cent to pass

54 per cent support a right to move binding, directive proposals requiring > 75 per cent to pass

Asked if there should be legislative change allowing shareholders to move non-binding resolutions, what sort of conditions did respondents think should apply before they can exercise these rights?

25 per cent said increasing the threshold by requiring requisitioning shareholders as a group to hold a minimum of the lower of 5 per cent of the issued capital or the aggregate shareholding of the directors of the company

22 per cent said increasing the threshold by requiring requisitioning shareholders as a group to hold a minimum of 1 per cent of the issued capital of the company which they have held for at least 12 months before submitting the proposal

30 per cent said removing the ability of 100 members to move resolutions at AGMs and only allowing shareholders representing 5 per cent of the issued capital to move resolutions

39 per cent do not support legislative change

Again, respondents were sharply and almost evenly divided when asked whether a greater capacity to move non-binding resolutions would have a significant impact on directors' duties and responsibilities with 49 per cent saying yes and 50 per cent saying no.

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APPENDIX

LexisNexis and Governance Institute of Australia would like to thank the roundtable participants and acknowledge their valuable contribution to this important discussion.

Steven Burrell	Governance Institute	Chief Executive
John Price	ASIC	Commissioner
Kevin Lewis	ASX	Chief Compliance Officer
Ed John	Australian Council of Superannuation Investors	Executive Manager, Governance, Engagement and Policy
Vas Kolesnikoff	ISS Australia	Head of Australia & New Zealand Research
Jana Jevcakova	CGI Glass Lewis	Director of Research
Dean Paatsch	Ownership Matters	Director
Susheela Peres da Costa	Regnan	Head of Advisory
Iris Davila	Blackrock	Director, Product Specialist
Louise Petschler	AICD	General Manager – Advocacy
Dr Sally Pitkin	Non-Executive Director	Chair, AICD Governance Committee
Judith Fox FGIA	Australian Shareholders' Association	CEO
Ian Matheson	Australasian Investor Relations Associations	CEO
Maureen McGrath	Scentre Group	Chair, Governance Institute, Legislation Review Committee
Catherine Maxwell	Governance Institute	Executive Manager, Policy and Advocacy
Simon Pordage	ANZ	Company Secretary
Margaret Taylor	BHP Billiton	Company Secretary
Quentin Digby	Herbert Smith Freehills	Partner
Pablo Berrutti	Colonial First State Global Asset Management	Head of Responsible Investment, Asia Pacific
Jason Harris	UTS	Associate Professor
Ali Dibbenhall	LexisNexis	Senior Legal Counsel
Tim Paine	Rio Tinto	Joint Company Secretary
Scott Hudson	Computershare	Head of Intermediary Services

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What are the benefits of Practical Guidance for governance professionals?

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Stay informed – our content is constantly updated. Stay up-to-date with the latest regulatory changes and compliance obligations.

Implement best practice – ensure that your organisation minimises risk by implementing good governance practices and procedures.

Specifically designed for governance practitioners – Practical Guidance Governance was designed in consultation with industry leading experts to ensure it meets the specific needs of governance professionals.

Governance Institute of Australia

LexisNexis Practical Guidance Governance has been co-developed with Governance Institute of Australia.

LexisNexis is the premier global provider of information to corporate, legal, risk management, government, tax, accounting, and academic professionals with rich resources in world-class content and leading-edge technology. This strategic partnership will combine their expertise in developing indispensable knowledge resources, with our mastery of governance knowledge, principles and practices to produce the best, most reliable and user-friendly guidance and tools for governance and risk professionals at any stage in their careers.

Steven Burrell
Chief Executive
Governance Institute of Australia

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About Governance Institute of Australia

Governance Institute of Australia (Governance Institute) is the only independent professional association with a sole focus on whole-of-organisation governance. Our education, support and networking opportunities for directors, company secretaries, governance professionals and risk managers are second to none.

About LexisNexis

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