



OWNERSHIP MATTERS

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16 May 2014

Manager
Corporate Governance & Reporting Unit
Corporations & Capital Markets Division
The Treasury

Email: Corporations.Amendments@treasury.gov.au

RE: Submission on 'Corporations Legislation Amendments (Deregulatory and Other Measures) Bill'

Dear Treasury,

Thank you for the opportunity to comment on the exposure draft for this Bill. Ownership Matters (OM), formed in 2011, is an Australian owned governance advisory firm serving institutional investors. The opinions contained in this submission are those of OM and not those of its clients. This submission will respond only to those proposed amendments where OM considers its views are relevant, those relating to proposed changes to thresholds for shareholders to convene general meetings and changes to remuneration report requirements.

In relation to the specifics of the proposed legislation:

- **Meeting convened by members:** OM supports the removal of the ability of 100 shareholders to convene a general meeting and supports the proposed retention of the right of 100 shareholders to put a resolution to a meeting of members already convened by management such as an annual meeting (s. 249N(1)(b)).
- OM however notes that the potential savings from the proposed amendment are likely to be minimal given few listed companies have been required to convene such a meeting at the request of 100 shareholders.
- **Remuneration report:** OM does not oppose the proposed introduction of a requirement for listed companies to disclose their 'remuneration governance framework' (proposed s. 300A(1)(aa)) but does not consider it will provide significant additional information to shareholders. Many companies already provide this information voluntarily and those companies who do not provide this information are unlikely to disclose meaningful information in response to the legislative change. They instead are likely to rely on boilerplate disclosure often produced by professional advisors. As such it will add to disclosure requirements for companies with few apparent offsetting benefits for shareholders.
- OM has previously indicated to Treasury it supports the proposed replacement of s. 300A(1)(e)(iv) with a requirement to disclose the number – rather than value – of options that lapsed during a financial year and the year in which those options were granted. This is because it will aid shareholders in determining the actual

remuneration received and forfeited by members of key management personnel during a financial year.

- OM also supports the proposed removal of the requirement to specify the proportion of remuneration of members of key management personnel consisting of options (s. 300A(1)(e)(vi)). The current provision does not provide meaningful information to shareholders.

Please feel free to contact us concerning any aspect of our submission.

Yours sincerely,

Handwritten signatures of Dean Paatsch and Martin Lawrence in blue ink.

Dean Paatsch & Martin Lawrence

Ownership Matters Pty Ltd