

## AUTO PILOT PROVISIONS

Members may be aware of the concern being expressed by NZSA regarding the use of these provisions. Our website has 4 pieces of correspondence addressing the issue, which are worth considering. The effect of the "auto pilot" provision is to remove control of the constitution of the company from shareholders, and deliver it up to the NZX. NZSA takes the view first that as a matter of law, this can not be done (which legal issue is disputed), and secondly that as a matter of policy it should not be done (which view is largely ignored, in favour of the pragmatism of not having to put constitutional amendments to shareholders).

New Zealand seems to be alone in disenfranchising shareholders in this manner. We do not see it as being healthy. We seek member support in opposing it.

It may be worth considering the article

on the website regarding the rights of shareholders. There are very few. To lose this one is something we regard as very serious. It may in fact only be a residual and largely symbolic issue, but it nonetheless represents the fundamental control and governance of any company.

We suggest every member consider the material on the web site regarding this issue, and send a letter expressing your own views to the Minister of Commerce, c/- Parliament House, Wellington (who did not veto the change to the Listing Rules that allows for this) protesting this change, with a copy to the Securities Commission, P O Box 1179, Wellington (who are meant to be co-regulators of such changes with NZX) and with a further copy to NZX, P O Box 2959, Wellington (who have accepted the paradigm of administrative convenience over shareholder rights). Please assist us to oppose this development.

## Disclaimer

The comments contained within this Newsletter, or appearing on the website of the Association, should not be construed as providing investment advice or recommendations under the provisions of the Investment Advisers (Disclosure) Act 1996, or otherwise.

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## A REMINDER TO MEMBERS

Your Association is increasingly concerned with the lack of basic information available to shareholders in relation to the setting of remuneration levels of listed company top executives. We determined that the subject was worthy of further study, so in mid June we organised a conference covering the subject of:

### EXECUTIVE REWARD AND CULTURE

The conference was attended by invited listed company Chairmen and CEOs

and was the culmination of a discussion document and peer review papers that had been sent to each participant.

The good news for members is that the paper is now on our website – [nzshareholders.co.nz](http://nzshareholders.co.nz). Click on **GUIDELINE STATEMENTS** at the left hand side of the screen and then locate two files ‘Chief Executive Pay’ and ‘Peer Review Overview’ among the list of subjects. These provide you with the full report and a summary of the critique from participants.

## THE APPOINTMENT OF A DIRECTOR

I want to take up a little space in this Newsletter to stress how important the appointment of a director is to a company. In fact the agenda item at the AGM covering director appointments is now the only time where shareholder power can be wielded. Do not ever let this agenda item become a habit and raise a hand or say yes without seriously considering each candidate. There are still some companies whose constitution allows for automatic appointment unless there is a competitor for the position. If this occurs, and most shareholders will only realise this after there has been no vote for re-appointment, it is appropriate to raise this matter at the conclusion of the meeting. If this opportunity is not taken then we would be happy to hear from you and will raise the matter with the Board and if necessary place the item on the agenda for the next AGM.

The composition of a Board of Directors is one of the most important corporate governance matters that any company faces. I am sure many members will look at the make up of a Board and note that it has hardly changed for a decade. At other times there may have been a number of director appointments over the years that result in too many members of the legal profession or an over-

abundance of accountants or engineers. These are all signs that little thought has been given by the chairman to the need for new blood, for a wide range of interests and for proper foundations. Corporate Governance is now a key heading in all annual reports but with the exception of very basic matters such as other directorships there is seldom any commentary on how the chairman goes about seeking to ensure that the Board is at maximum efficiency and that there are proper procedures in place for seeing that the foundations are still appropriate and a review of performance. An effective Board requires many facets and succession plans; leadership by the chairman, update programmes for Board members etc. are but a few matters that should be mentioned in a good corporate governance statement.

In the unlikely event that the annual report will touch on the long term strategy for building a Board it is up to you as shareholder to seek more information at the AGM. In the case of the annual report that discloses merely the age and other directorships of the Board but provides no further information I suggest that, additionally, the length of service as a Board member and the professional qualifications are a minimum for you to

be able to assess each director. One of the pioneers of good corporate governance was the former chairman of the Australian Lend Lease Corporation. Mr Horner in his last annual report to shareholders asked directors to write a short paragraph on what they considered each could contribute to the affairs of the group. The result was interesting and many shareholders will have been pleased that their organisation was in such capable hands. Unfortunately this practice does not seem to have been copied. There are several ways that you as a shareholder can bring this to the attention of the chairman. A first step to avoid the confrontational approach that always attends speaking at the time of the reappointment of directors is to ask a general question at the time that the accounts are being considered and after the chairman and CEO have addressed the meeting.

A general question about the process for ensuring that a competent Board is in place may be a good start and it will take away the personal aspect if the question is raised away from the agenda item covering director appointment. Now, on to the agenda item itself.

Some directors are reluctant to stand up and speak in favour of their reappointment. Perhaps they do not like the limelight but this is no excuse for not accepting that shareholders who re-elect them have a right to know who their representative is and what (s)he can contribute. Your Association is keen to see this procedure become common practice at meetings in future and we will at almost every meeting be pressing for a commentary from each director seeking re-election. An excellent example of this approach was the last AGM of Waste Management N.Z. when your representative asked new directors to address the meeting. The address from both directors was more than impressive, it was inspirational and no shareholder would have left the meeting without a feeling that these men would be excellent guardians of shareholder value and, just as important, the chairman and the Board had in place a procedure for new appointments that was first class. The opportunity to speak to Board members after a meeting is all too brief but is nevertheless a golden opportunity and one of the reasons why all shareholders should try to attend meetings in person.

## AGMS

### **Air New Zealand**

A special meeting was held in the Auckland Convention Centre on 5 August to approve the purchase of ten new aircraft. From the grim looks on the faces of the Board it appeared that a difficult meeting was expected. The Chairman stressed that the reason for calling the meeting was because of Stock Exchange requirements and the proposed purchases were all in the ordinary course of business. Your representative did comment on the requirement for an airline company to have to go to shareholders for the purchase of aircraft; it seemed so unnecessary. English is a wonderfully expressive language and it amazes me that many of our drafters preparing

rules and regulations, whether they be government officials or Stock Exchange members, can have such trouble in finding the right words to cover the eventuality they seek to address. However, it keeps the legal fraternity busy. I believe that the book by Lynn Truss called *Eats, Shoots and Leaves* should be compulsory reading for all drafters and editors. I certainly recommend it to members as being a great read and providing *A Zero Tolerance Guide to Punctuation*.

Several matters that may have been forgotten were brought to the attention of shareholders including the required rate of return on capital of 10% after tax. The ILFC leasing Company was a subsidi-

ary of AIG which has a triple A rating and is certainly one of the best insurance companies in the world.

The motion was passed. A further positive event arising from this and similar meetings is the opportunity afforded to chat to the Board following proceedings. Shareholders should always take advantage of these occasions given that the chance to meet directors of your company is usually rare. This point is raised elsewhere in the newsletter.

Oliver Saint

### **Feltex Carpets**

A relatively small number of shareholders attended the first meeting of the re-listed and reinvigorated Feltex. The initial atmosphere was quite subdued. Possibly this was due to the fact that the Initial Public Offer document was still fresh in the minds of shareholders and with the very detailed information about the operations of the company few arrived with specific questions on their minds; forecast of results had been made and the cv's of all directors was familiar to shareholders. The chairman advised that quarterly reporting would be introduced and re-confirmed that the dividend policy of paying out between 75% and 80% of net surplus after tax but before amortisation remained. CEO Sam Magill advised that the first quarter had been in line with budget, lower turnover compensated by increasing margins. I asked the chairman, who was up for re-election, to advise us how many directorships he felt he could sustain before he ran out of hours in the day. Whilst acknowledging that there was no real answer to the question, his response did contain an element of enlightenment. Mr Saunders' career had largely involved consultancy work and this discipline enabled him to be more adaptable to different industry environments. Both of us appreciated the underlying importance of a subject that has been taxing the minds of the NZSA for some time. A shareholder sought a comment on how much research and development

was undertaken by Feltex. Both the chairman and ceo responded that this was an increasingly important matter and gave examples of what they were doing in this area. However it is apparent that research is not being separately disclosed in the Annual Report. The writer would be very surprised if this matter is not corrected in future and a heading Research Expenditure appears in the Statements. The question of the lack of imputation credits cropped up in a number of questions from shareholders. The share price of the company was also raised by one shareholder and the chairman responded that the Board too were not happy with the present share price. I pointed out that one of the indicators was the P/E ratio and that the present indicator was 18 which included a tax benefit during the period. The projected 2005 result was confirmed as being nearly \$14 million based on a full tax charge. This figure therefore presumed a very significant jump in pretax profits that might raise a doubt as to continuing profit growth in the future.

The incidence of a large percentage of Feltex profits arising in Australia would continue to create problems for the New Zealand shareholder. The reality is that the shareholder here is much less favourably treated in regard to franked income than his or her counterpart in Australia and this seems likely to continue.

Finally, under other questions I raised the comment that there was growing concern in business circles about the hands-on management experience of non-executive directors. I sought comment from the chairman and ceo whether they would countenance the Feltex ceo for example taking up a non-executive directorship in another listed company with the objective of increasing the skills and experience of this important corporate governance area. The response from both the chairman and ceo was very positive pointing out that both parties would benefit from the move.

Oliver Saint

## **Rubicon**

The meeting, chaired by Mr Kasnet, was held at the NZ Yacht Squadron rooms in Westhaven on Monday 16 August. The meeting was advised that proxies received before the meeting ensured that all resolutions would be passed. The chair decided that there would be a poll on all resolutions. A shareholder sought more detail on the recent flooding in the Eastern Bay of Plenty. A company representative advised that whilst this year's crop was unaffected, the 2001 crop suffered approximately \$250,000 of damage. John Wilson, a member of the Association, sought comment from the chair on the dividend policy in view of the changed position that disposals of substantial holdings would no longer result in returns to shareholders. The CEO, who was delegated to respond, commented that it was hoped that any future dividend from Tenon would be passed on to shareholders of Rubicon. On being pressed to be more specific, the chairman agreed that there was no present dividend strategy.

Your representative spoke to the motion reappointing Mr Hugh Fletcher and suggested that, sadly for Mr Fletcher with such an impressive CV, theory and practice had parted company and it was time for a change. Your representative advised shareholders that the matter had been discussed at a recent Association Board meeting and it was agreed that this action was appropriate. The discussion was covered by The Herald and more fully by the Dominion and most members will have seen the report. Mr Fletcher responded by saying my comments were factually incorrect in that there had been an 18% compound growth in annual returns during the period in question. Possibly my comment about his tenure may have been misinterpreted to mean the family tenure when

his grandfather started the company with \$10! At the end of the meeting Mr Brian Gaynor made the comment that the chairman had not responded to any question and that specifically it was inappropriate that a question on dividend policy be answered by a CEO. The chairman responded that he was representing all shareholders, not just his own company.

Oliver Saint

## **Software of Excellence International**

The AGM was held on Monday 20 September at the Ellerslie Convention Centre. The Weatherly brothers addressed shareholders but little additional information was disclosed either by the chairman or the brothers during the formal part of the meeting despite around 45 minutes of presentation that was curtailed because Paul Weatherly had lost the final page(s) of his address. A more positive event was the short introductory address given by Roger Sharp after the Chairman had prompted the new cornerstone shareholder representative to greet shareholders. The objective of having this shareholding is seen by the Board as a facilitator should finance be required at short notice for acquisitions. In the past, the Company had experienced funds shortages when a possible acquisition was being considered and it is felt this will be relieved in future by having a cornerstone shareholder. The meeting came to life at the conclusion of the agenda when shareholders sought answers to the marketing and operational systems that had been considered by the Board to enhance and encourage growth.

Oliver Saint

Reports on the AGMs of Telecom (7 October) and Wrightsons (11 October) will appear in the December Newsletter.

## Trinity and the “un” Holy Ghosts

### **Personal Statement by Bruce Sheppard in his capacity as current Chairman of the New Zealand Shareholders Association Inc. (NZSA)**

The NZSA consistently asks corporates to be transparent and make proper disclosures. We do this because it is only through transparency that you can judge people. We believe people have integrity based on what they do but also accept that the way people perceive the actions of others is entirely from the perspective of the viewer. If you like “beauty is in the eye of the beholder”. Hence integrity, a fundamental issue for all investors can only be judged by a transparent score card of individual conduct.

I have observed the actions of the media in attempting to expose the individuals behind Trinity with some interest, and also observed the actions of the investors in attempting to retain privacy. Unfortunately some media have turned this into an obsession with the personality of the participants rather than an expose of what actually has happened and what the underlying issues are.

It is highly likely that the individuals associated with Trinity will never be disclosed, and it is also likely that the public are not interested.

This said I must now declare that I am an Investor in a Trinity joint venture and am also on the litigation committee of one of the sub groups. Due to my own due diligence on the project, and my continued active involvement with it, I am intimately aware of the investments nature, the parties, the conduct of the litigation and the actions of the IRD. Due to my unique situation regarding transparency relating to public companies, my involvement with Trinity may be of public interest. This cannot be said to apply to other investors.

Further some media commentators who

should know better quote numbers like \$3.9b to emphasis the enormity, and by implication the morality of the trinity arrangement. This number would only be close to true if you assume that every investor took the insurance option, claimed all 50 years of deductions immediately, used all the resultant losses against income and saved tax at the top marginal rate. The number per annum is closer to \$70m if all investors used all the resultant losses, which they have not. It makes the tax credits claimed by the Australian banks, also on advice legitimate, look like a far greater hole in the tax base than Trinity.

I would now therefore like to make the following comments in respect of my involvement with this investment.

### **1. The Beginning**

I invest in all sorts of things. Prior to investing in Trinity I already was co owner and manager of a substantial forestry project in Northland that is now in its 20<sup>th</sup> year. I understand therefore the dynamics of forestry investment.

There is now something like 5000 hectares of Douglas fur planted in Otago under what has been categorized as the Trinity arrangement or its offshoots. Every one of those plantations is a substantial and real investment in New Zealand’s future, owned in the main by New Zealanders. The forestry project made sense at the time and still does.

Much has been made by the media of the 50 year duration of the project. It has been suggested that because some of the ultimate owners are likely to be dead when the project matures that the reason for investing must be something other than the commercial gains anticipated. Firstly not all investor invest for there own direct return at first instance. Some investors take extremely long term positions to provide returns for future generations. Where would Gary Paykel

be today if his grandfather had not founded Fisher and Paykel, and for that matter where would New Zealand be? Why would investors buy 100 year zero coupon US government Stock? Well in the case of the latter because they can sell it prior to maturity. This is also true for plantation forestry crops. Tenon has successfully sold 100,000 hectares of trees without cutting them down.

Trees don't grow in terracotta pots. They require land and lots of it. There are two basic choices, own it, or lease it. My Northland project is on leased land and it is a pain collecting rentals from contributors over the long term when everyone's circumstances change. Fortunately none of our Northland syndicate has had the ultimate life changing experience, death. Hence the development of forest use licenses and the prepayment of the total cost. It is a commercial solution and alternative to long term leasing.

Obviously prepaying rentals on land for 50 years is a considerable cost so there is nothing too surprising in raising a loan to do it, and as I said there is nothing uncommercial in using a zero coupon promissory note. The US government has funded their deficits for years with such instruments.

So Trinity involves a real forest, owned by New Zealanders, on land subject to a license to occupy with Zero coupon financing. My joint venture did not claim insurance deductions.

In addition to the obvious commercial investment in trees, the take it or leave it funding structure of the investment had other economic advantages to investors. In effect by investing in an international commodity that is tradable in US dollars and financing it with 50 year debt in NZ dollars each investor effectively obtained a significant inflation hedge that enabled them to hold cash in NZ if they wished without having to worry about central government debasing the currency with inflation generated out of excessive gov-

ernment spending or currency creation. In the last 50 years NZ has suffered from both of these malfeasances and it is a safe bet that over the next 50 years they will be repeated. I completed an economic review of the project from this perspective and it was relied upon by some investors. Every 1% increase in average inflation over a 2% average for 50 years makes an enormous difference to investor's outcomes. My due diligence and economic reasoning ignored tax.

All of these commercial decisions when taken together have a tax consequence and none of the investors were foolish enough to think that the Inland Revenue would not audit the results. Accordingly all investors sought independent tax opinions prior to claiming any deductions. These supported the filing position taken by the investors. I have been a tax accountant for 20 years and I can form my own view on these matters. Be that as it may I still obtained and critiqued the advice provided to investors.

## **2. The Tax Audit**

I invested in 1998 and claimed deductions for each year though until 2001. Once it became clear that the Inland Revenue would allege tax avoidance I ceased to claim deductions to which I would otherwise be entitled. Unlike tax evasion the tax consequences of this investment were completely transparent and fully disclosed to the Inland Revenue. Yet no determination was made by the Inland Revenue until 2003.

## **3. Disclosure to NZSA**

I disclosed my involvement in Trinity to the NZSA as soon as it became obvious that the IRD would allege malfeasance, and I have kept them informed all through this process including the details of this announcement. I have also offered to resign my role in the NZSA if the Board requires it. I have also insisted that they make arrangements to ensure NZSA succession if required and they have done this. They have refused my resignation to date and Ross Dillon

Deputy Chair of the NZSA can be contacted for more particulars on this issue.

#### 4. **The cost**

Defending yourself from the actions of the IRD does not come cheap. The investor groups have collectively spent in excess of \$4m with lawyers and experts in preparing the case. The IRD in the words of some commentators have thrown the kitchen sink into this project. Given the cost of fighting the IRD which is beyond the resources of all but the wealthiest of citizens, all New Zealanders should be very scared of the powers of the IRD and should be concerned that the powers are used fairly and reasonably.

#### 5. **Settlement**

I cannot talk about the likely terms of settlement or the settlement terms accepted by the test cases as those agreements are subject to confidentiality. I have accepted the settlement terms on offer and the IRD have acknowledged this.

This is not to say that I now accept the IRD's position. I don't. The simple reality is that when your partners decide they

no longer want to play and you have to then play alone you have no choice when confronted with the costs.

#### 6. **Public Interest**

Last month when I formed the Christchurch branch of the NZSA, I disclosed to 40 investors my involvement in Trinity. There was not a word back, no one cared. The Press was at the meeting and the Business editor for The Press didn't care either.

So judge my integrity by my actions:

1. I have told you I am involved because that is what my principles say I should do.
2. I made a commercial investment and I claimed deductions on advice.
3. The IRD disagreed with my claims and the claims of others so I rolled up my sleeves and helped without reward in a David and Goliath fight. Goliath won through attrition not victory in the field of battle.
4. I disclosed my involvement in this to all parties who might be affected early.

You judge.

## **NOTICE**

THE research arm of the Association is always keen to use the services of qualified professionals who have skills in analysing annual reports to join our team as volunteers.

If you are interested and have the time available for the task we will be happy to hear from you. Please, in the first instance, email or write to the undersigned giving your name qualifications and experience.

We have templates available for analysis; the networking ability of the team, which has been structured along industry lines, should be of interest to mem-

bers. It is an excellent means of keeping up to date with your investments. The research will in only very exceptional cases take more than an hour per listed company and the time required can, to an extent, be matched to availability.

Enquiries to:

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Research Director  
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P O Box 32 120  
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## BRANCHES

With the successful formation of the Canterbury Branch in September, the Association now has five active branches in Auckland, Bay of Plenty, Canterbury, Waikato and Wellington. New Committees in each have been selected and approved, and programmes of meetings, discussion groups and workshops, and company visits are being planned for the remainder of this year and for 2005.

### Auckland

Auckland Branch, which now has over 200 members, held its AGM on 25 August, when the speaker was NZSA Chairman Bruce Sheppard, and a further meeting last week was addressed by Annabel Cotton, a member of the Securities Commission. Over 60 members enjoyed a visit to the Fisher & Paykel Appliances head office and factory, and a visit to Cavalier Carpets is planned for November. The final meeting for this year will be on Wednesday 1 December at Alexandra Park, when the speaker will be NZSA member Bryan Gaynor.

Chairperson:

Coralie van Camp (09) 520 0362

Secretary:

John Clifford (09) 523 1584

Trips:

Bryan Trenwith (09) 814 9669

[bryangay@ihug.co.nz](mailto:bryangay@ihug.co.nz)

### Bay of Plenty

The Bay of Plenty Branch now has 48 members, and continues to be very active with regular discussion groups and visits. Don Johnson has taken over as Chairman from Malcolm Dunphy, who was the founding chairman of the branch. The most recent meeting was addressed by Cameron Watson from ABN Amro Craigs, and there is a final discussion group before the end of the year.

Chairperson:

Don Johnson (07) 576 3259

[dontrust@xtra.co.nz](mailto:dontrust@xtra.co.nz)

Secretary:

Kerry Drumm (07) 574 7400

[di.kerry@xtra.co.nz](mailto:di.kerry@xtra.co.nz)

### Canterbury

The Canterbury Branch was formed on 8 September at a meeting of 32 NZSA members and guests, when NZSA Chairman Bruce Sheppard gave a thought-provoking address on the duties of directors and shareholders of companies. A number of those present volunteered their services as members of the inaugural committee of the Branch. The Branch now has 16 members. At a subsequent meeting of the Committee, the following officers were elected: Ritchie Mein (Chairman), Max Smith (Secretary/Treasurer), Russell Moffitt (Education and Trips), Robin Harrison (Membership). The next meeting will be an Education Day on Wednesday 24 November at the Cashmere Club.

Chairman:

Ritchie Mein 03 332 0052

[ritchiemein@clear.net.nz](mailto:ritchiemein@clear.net.nz)

Sec/Treas:

Max Smith 03 339 6246

[max.smith@G.W.F.com.au](mailto:max.smith@G.W.F.com.au)

Membership:

Robin Harrison 03 348 4464

[robin.harrison@canterbury.ac.nz](mailto:robin.harrison@canterbury.ac.nz)

### Waikato

The first AGM of the Waikato Branch was held on 9 August, when the speaker was Bruce Sheppard. The branch now has 34 members. A new committee was elected with Keith Tanner (Chairman), Alex Eames (Secretary) and Stephen Lindsay (Treasurer). A successful discussion group was held on 8 September, with 20 members present, and another was held last week. A visit to Vertex Ltd is arranged for 28 October.

Chairman:

Keith Tanner 07 854 0548

[sixpence@wave.co.nz](mailto:sixpence@wave.co.nz)

Secretary:

Alex Eames 07 827 9343

[aeames@ihug.co.nz](mailto:aeames@ihug.co.nz)

Treasurer:  
Stephen Lindsay 07 889 5365  
[alpha@rosenorth.co.nz](mailto:alpha@rosenorth.co.nz)

### **Wellington**

The Wellington Branch now has 36 members, and has a new Committee, with Matthew Underwood (Chairman) and Ray Jack (Secretary). During August, the Branch hosted a company presentation by Nick Calavrias, the CEO of

Steel & Tube Ltd, and CFO Tony Candy. There was a branch meeting last week, held at First NZ Capital, when the speaker was Barry Lindsay, head of Retail Research at FNZC.

Chairman:  
Matthew Underwood (025)244 2609  
[matthew.underwood@mbsgroup.co.nz](mailto:matthew.underwood@mbsgroup.co.nz)

Secretary:  
Ray Jack (04) 577 2623  
[ray.jack@nbnz.co.nz](mailto:ray.jack@nbnz.co.nz)

## **VOTING AT ANNUAL GENERAL MEETINGS**

In opening the AGM of Rubicon, the chairman Mr Kasnet, announced that he had received sufficient proxies to pass all resolutions on the agenda. Therefore he determined that there would be a poll on each resolution and a show of hands would be dispensed with. Members will have noticed that the above procedure is becoming more prevalent at AGMs. In fact this is not merely a New Zealand experience; the UK Shareholders' Association (UKSA) has introduced onto their website\* an article on the topic and is raising the issue with a number of top UK listed companies.

The argument in favour of having a poll is that it offers a much more satisfactory and democratic result than a show of hands from a small percentage of shareholders who are able to attend an AGM. There is of course no counter to this argument given that those attending a meeting are unlikely to represent more than a small fraction of 1% of shareholders of a company. However it might be worth chairmen considering this subject from the point of view of the small shareholder sitting at the other side of the rostrum and be reminded that:

- 1 most shareholders come to hear what the chairman and fellow directors have to say. They are usually interested and supportive
- 2 the message that the chairmen is giving to the meeting is either:
  - that what shareholders have to say is of no interest or
  - there is concern that there may be vocal opposition to an agenda item and
  - a vote against by the meeting would be an embarrassment to the Board.
- 3 Those who attend the meeting have been able to vote with the benefit of having heard all the arguments for and against and are, arguably, in a better position to provide a balanced judgement than absent shareholders who rarely receive the opposing views.

Other arguments have been well canvassed in the UKSA article available on the website so will not be repeated here.

\*The UKSA website is at [www.uksa.org.uk](http://www.uksa.org.uk) and may be found on the links page of our website.

## Shareholder Education November 2004

Register now, places limited.

“Great courses – thanks. Lots of useful info / not a sales pitch”- k.g.

### Auckland

Saturday, 20 November 2004

Course B: Investing in Shares  
9.00 – 12.00

Course C: Understanding Company Reports (New) 1.00 - 4.30  
Institute of Chartered Accountants,  
27-33 Ohinerau St, Remuera  
Ph 09 376 7368

### Franklin

Saturday, November 13 2004

Course A: Starting in the Sharemarket  
9.00 – 12.00

Course B: Investing in Shares  
1.00 - 4.30

Enterprise Franklin (Host)  
Cnr Massey Ave and Roulston St,  
Pukekohe  
Ph 09 237 0005

### Wellington

Saturday, November 27 2004

Course A: Starting in the Sharemarket  
9.00 – 12.00

Course B: Investing in Shares  
1.00 – 4.30

Turnbull House  
11 Bowen Street (opposite Beehive,  
next to The Treasury)  
Ph 04 9711500

### Canterbury

Wednesday, November 24 2004

Course A: Starting in the Sharemarket  
9.00 – 12.00

Course B: Investing in Shares  
1.00 – 4.30

Cashmere Club, Hunter Terrace,  
Beckenham, Christchurch  
Ph 03 3320052

Lunch (optional & available on site or nearby) 12.00 – 1.00

Each course includes a course book and refreshments

Tutor: Graham Wilson, NZSA Director of Shareholder Education  
Grad Dip Appl. Finance and Investment (Securities Instit. Aus) ASIA Dip Tchg

### Course A Starting in the Sharemarket

An Introduction to Share Investing - no experience needed to attend.

Risk and return. Buying and Selling 3 Key Financial Ratios Simple ways of analysing shares (limit 22 registrations)

### Course B Investing in Shares

Tools to assist in selecting companies. Information Sources, Key Financial Ratios, Using a company's annual report. Investment Strategies

For people with a broker and one or two shares and/or those who have taken the morning course. (limit 22 registrations)

### Participant Ratings:

Very Satisfied:	52%
Satisfied:	45%
Dissatisfied	4%
Very Dissatisfied:	0%

Feedback from courses in August and September 2004.  
Due to rounding some totals may exceed 100%.

### Course C (NEW! Auckland only) Understanding / Using Company Reports

Buy, Hold or Sell – that is the question?

This course applies the skills covered in “Investing in Shares”. As a group you will consider a selected company's announcements, annual report and an analyst's report. Learn about its people, strategies, products, market, financial multiples and ratios to try to assess its value. (limit 22 registrations)

**NZ Shareholders Association Inc Courses  
Registration Form**

**Register/Any Questions**

Phone your local number or Graham Wilson 027 4767368 or 09 3767368

Register online: [www.nzshareholders.co.nz](http://www.nzshareholders.co.nz) - click "Shareholder Education"

Payment is by Cheque made out to "IENZ"

Write NZSA Education PO Box 90821 Auckland 1030

Email [nzsaeducation@invested.co.nz](mailto:nzsaeducation@invested.co.nz)

Cost:	NZSA Members	Non-Members
Course A or B	\$55	\$65
A & B	\$95	\$115
Course C	\$65	\$75

To register by mail complete the form below and post with cheque made out to "IENZ"  
to: NZSA / Investment Education NZ Ltd

**PO Box 90821 Auckland 1030**

Course Location \_\_\_\_\_ First Name/s Mr/Ms/Mrs/Dr \_\_\_\_\_

Last Name/s \_\_\_\_\_

Email (main contact method) \_\_\_\_\_

Phone \_\_\_\_\_

Postal Address \_\_\_\_\_

Write in number attending for each Course if more than one)

Course A 9-12 Starting in the Sharemarket [    ]

Course B 1- 4.30 Investing in Shares [    ]

Course C (Auckland)1-4.30 Understanding / Using Company Reports [    ]

(optional Auckland on site Lunch 12 – 1pm \$25 )

Total \$ \_\_\_\_\_

Cancellations and Refunds: Cancellations received in writing at PO Box above more than 7 days before course commencement will receive a full refund less administrative fee of \$25. Cancellations seven days or less before course commencement will not receive a refund but substitute attendee is welcome without an additional charge. Please advise of any name changes. Should the course be cancelled by the organisers or by any reason or any factor outside the control of the organisers the course cannot take place the amount of the registration fee will be refunded. The liability of the organizers will be limited to that refund and the organizers will not be liable for any other loss cost or expense, however caused incurred or arising.

**A BONUS FOR MEMBERS WITH EMAIL ADDRESSES**

On a trip to the UK and Ireland recently it became noticeable from the comment and articles in the financial pages of the press that many topics, particularly centred round corporate governance, seemed to be common on a global scale to all shareholders and it was encouraging that these matters were invariably being addressed in New Zealand. **Your Association is now a member of the UKSA and we now have the ability to**

**send to all of our members who have an email address the newsletter of the United Kingdom Shareholders' Association.** This is a particularly well-written journal and, as mentioned, covers many topics common to all shareholders in whatever country. The newsletter is published 5 times a year and will be sent to any member with an email address who is interested in receiving a copy. Please contact Russell Hodge. Oliver Saint