

COUNSEL'S CHAMBERS LIMITED

NOTICE OF MEETING

Notice is hereby given that the **FORTY NINTH ANNUAL GENERAL MEETING** of shareholders of Counsel's Chambers Limited will be held on Level 1, Selborne Chambers, 174 Phillip St, Sydney on 28 November 2002 at 4.30 p.m.

BUSINESS

ORDINARY BUSINESS

1. To receive and consider the Statement of Financial Performance the Statement of Financial Position and Statement of Cash Flows of the Company for the year ended 30 June, 2002 together with the Directors' Declaration and the Reports of the Directors and Auditors.
2. To elect Directors. Mr. P.M. Biscoe Q.C., Mr. J. Darvall and Ms. L. McCallum retire by rotation and, being eligible, offer themselves for re-election.
3. Mr. S. Donaldson SC, Mr. M. Robinson and Mr. F. Curtis and who have been appointed since the last Annual General Meeting to fill casual vacancies, retire pursuant to Article 64 of the company's constitution and, being eligible, offer themselves for re-election.
4. To consider and, if thought fit, pass the following resolution:

"That the Company authorises the directors not to insure the Company and any subsidiaries including Counsel's Chambers Network Pty. Ltd. for terrorism cover notwithstanding that, in the event of an incident which is the subject of terrorist exclusions in the Company's insurance policies, it may leave the company unable to recover any insurance at all for the loss of one or more of its buildings and or other assets and or in respect of public liability and or all other forms of insurable risks."
5. To consider and, if thought fit, pass the following resolution as a Special Resolution

That the Constitution of the Company be amended by:

3. Deleting the word "Law" wherever appearing and replacing it with the word "Act".
4. Adding to Article 1 the following new definition:
"practising barrister" means a Barrister who is the holder of a current

barrister's practising certificate issued under the Legal Profession Act 1987.

5. Adding to Article 6(a) the word "practising" before the word "barrister".
6. Deleting Article 26 and replacing it with the following (underlining shows changes other than relettering of sub-articles):

26. *(a) The Company shall have a first and paramount lien upon all the shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for the Member's debts liabilities and engagements solely or jointly with any other person to or with the Company or any of its subsidiaries together with interest thereon at the prescribed rate whether the period for the payment fulfilment or discharge thereof shall have actually arrived or not. (b) No equitable interest in any share shall be created except upon the footing and condition that Article 8 hereof is to have full effect. (c) Such lien shall extend to all dividends from time to time declared in respect of such share. (d) Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares.*

7. Adding to Article 28 after the word "Company" where secondly appearing the words "or any of its subsidiaries".
8. Deleting paragraphs (i) to (iv) inclusive of Article 43(a) and replacing them with the following (underlining shows changes other than renumbering of paragraphs):

(i) *die;*

(ii) *in the case of a corporation be wound up, or have a provisional liquidator appointed, or have a receiver or receiver and manager appointed, or have an administrator appointed under the Corporations Act, or be deregistered under the Corporations Act;*

(iii) *in the case of a corporation, cease to be a corporation in which a practising barrister and/or his or her spouse and/or his or her children beneficially hold the whole of the issued shares or in the opinion of the Directors, such barrister ceases to continue to occupy personally space in any building owned or leased by the Company;*

(iv) *in the opinion of the Directors cease to be a barrister;*

(v) *cease to be a practising barrister in circumstances in the opinion of the Directors warranting sale of the shares;*

(vi) *in the case of a corporation, in which a Barrister or practising barrister and/or his or her spouse and/or his or her children beneficially hold the whole of the issued shares; in the opinion of the Directors, such barrister ceases to be a practising barrister in circumstances in the opinion of the Directors warranting sale of the shares;*

- (vii) *having been a person intending to be a barrister does not in the opinion of the Directors commence to practise actively as a barrister within a reasonable time;*
- (viii) *without the consent of the Directors fail to pay for a period of 6 months or more any moneys in excess of \$100 in respect of which such holder is indebted to the Company or any of its subsidiaries;*

A full text of the Constitution incorporating the proposed amendments may be viewed on the Company's website at www.counselschambers.com.au.

6. To consider any other business which may be brought forward in accordance with the Company's Constitution.

Dated at Sydney this 5th day of November 2002.

By Order of the Board.

L.M. BEAN
GENERAL MANAGER

A member entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member. Proxies must be deposited at the office of the Company, First Floor, 174 Phillip Street, Sydney not less than 24 hours before the time for holding the meeting.

(PLEASE NOTE THAT IF YOUR SHARES ARE HELD BY A COMPANY, PROXIES SHOULD BE COMPLETED UNDER THE SEAL OF THAT COMPANY IF REQUIRED BY THE ARTICLES OF ASSOCIATION)

Pursuant to Article 74 of the Company's Constitution, nominations for Director must be left at the office of the Company at least 24 hours before the meeting.

EXPLANATORY MEMORANDUM

As to Resolution 4

TERRORISM INSURANCE

The company renewed its insurance cover from 1 April 2002. Unlike in previous years, terrorism was excluded from all policies offered to the Company and its subsidiaries by local insurers on renewal or inception.

In each policy of the current cover the definition for the exclusion of terrorism was very wide and was in a standard form.

”Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

For the purpose of this endorsement Act of Terrorism means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.”

Your Directors thought that this would leave the company (and its subsidiaries) uninsured for a number of possible events including damage that could be caused by terrible events of the kind experienced on 11 September 2001 to more minor incidents like damage by demonstrators whose demonstration got out of control. The Board felt that the location of the company’s buildings being close to Parliament House, the Federal, Supreme and Land and Environment Courts and the American Consulate, made them vulnerable.

The Board was, therefore, of the view that, as all shareholders have a substantial investment in the company and in their chambers, it had a duty to take out terrorism cover this year.

The cover which was taken was for \$US50,000,000 at a cost of A\$260,000 which had a significant impact on the Company's cash flow and contributed to the need for the recent increase of maintenance levies.

As to resolution 5

AMENDMENTS TO CONSTITUTION

- a. The alteration proposed in paragraph (a) is to bring legislative references throughout the Constitution to the corporations legislation into line with the passing of the *Corporations Act 2001*.
- b. The alteration proposed in Article 26 is to provide primarily for the Company's lien to attach to any interest owing by a shareholder.
- c. The alterations proposed in Articles 26, 28 and 43(a)(vii) are to provide that the Company's lien shall attach to moneys owing to any of the Company's subsidiaries. The computer network is operated through a subsidiary.
- d. The alterations proposed in Article 43 are to widen the circumstances in which the Company can bring about the sale of a member's shares, in line with the Company's philosophy that members should be practising barristers. Thus, the proposed redrafted paragraph (ii) covers other common situations where a company member ceases to be in good corporate standing; the proposed paragraph (iii) brings Article 43 into line with Article 6(c), except that it provides that either the barrister concerned ceases to be a practising barrister or ceases to occupy space in the Company's buildings; and the new paragraph (v) covers a situation where a member ceases to be a practising barrister, but preserves a discretion to the Directors to enable such matters as the orderly sale of shares by a member upon appointment to judicial or government office, or retirement, or the retention of a shareholding where a member takes reasonable leave of absence from practice.
- e. The proposed paragraph (v) and (vi) seek to address the situation which has

recently arisen following amendments to the *Legal Profession Act 1987* (“LPA”). Those amendments added Division 1AA to Part 3 of the LPA. Bar Council was given power to refuse to issue, cancel or suspend a practising certificate, inter alia, where that the applicant for or holder of the practising certificate had committed, since being admitted as a legal practitioner, an act of bankruptcy or had been found guilty of an indictable offence or tax offence (as defined) and the Council considered that that act of bankruptcy, indictable offence or tax offence was committed in circumstances which showed that the applicant or holder was not a fit and proper person to hold a practising certificate.

- f. Unlike the situation in which the holder has been found guilty of professional misconduct and his or her name has been struck off the roll of legal practitioners¹, the powers under Division 1AA of Part 3 of the LPA are exercised in circumstances where the barrister remains on the roll of legal practitioners but is not able to hold a practising certificate until Bar Council decides that he or she can, or the Supreme Court does so on appeal.
- g. Your directors have formed the view that there is a possibility in the future that there will be barristers who are shareholders or the person by reason of whom the company has registered a shareholder and who have had Bar Council cancel suspend or refuse to issue a practising certificate where the indications are that the barrister will remain without a practising certificate for a considerable period. Your directors believe that this circumstance warrants the amendment of the Constitution to give the directors power, in an appropriate case, to require the shares of such a shareholder to be sold. For example, a barrister may chose not to apply for a practising certificate because it is obvious that the Bar Council will refuse to issue one to him or her.
- h. A full text of the Constitution incorporating the proposed amendments may be viewed on the Company’s website.

¹ see e.g. *New South Wales Bar Association v Cummins* (2001) 52 NSWLR 279

