



The Royal Australasian
College of Physicians

**MINUTES OF A GENERAL MEETING OF MEMBERS
OF THE ROYAL AUSTRALASIAN COLLEGE OF
PHYSICIANS (“RACP” or “the College”)**

Date and Venue: Thursday 9 July 2015

Education Centre
Level 8, 52 Phillip Street
SYDNEY NSW 2000

Time: 4.00pm (AEST)

Attendees

As per the attached attendance register plus the following non-voting attendees:-

Ms Linda Smith	Chief Executive Officer
Ms Kate More	Director of Fellowship Relations
Mr Michael Smith	Director of Governance, HR & Commercial Services & Company Secretary
Ms Kate Glennon	Assistant Company Secretary
Mr Brian Murphy	Partner, King & Wood Mallesons
Mr Scott Phillipson	Senior Associate, King & Wood Mallesons
Mr James Winter	Partner, Grant Thornton Audit Pty Limited

1. OPENING THE MEETING

The President, Laureate Professor Nicholas Talley, as Chair of the meeting, noted that a quorum was present and declared the meeting open.

The Gadigal people of the Eora Nation were acknowledged as the traditional owners and custodians of the land on which the meeting was taking place, and respect was paid to the elders both past and present and extended to any other indigenous Australians who may be present today.

The President-Elect, Dr Catherine Yelland and the College’s Secretary, Mr Michael Smith, were introduced to the meeting.

2. NOTICE OF MEETING

The President advised that on Monday, 11 May 2015, the College received a request from a number of Members to convene an Extraordinary General Meeting of the College for the purpose of considering four resolutions to change the Constitution.

Under the College’s Constitution, a general meeting can be requested by a minimum of 100 Members, and upon receipt of such a request, the Board must convene that meeting, which has been done by way of the Notice sent to all Members.

The Notice of Meeting, including a statement provided by those Members that requested the meeting, had also been posted to the College's website, so it was taken as read.

The four items of business, being proposed amendments to the College's Constitution, were Special Resolutions meaning that at least 75% of Members voting must vote in favour of each amendment for it to be passed.

3. VOTING PROCEDURE

The President advised the meeting that voting on the Special Resolution to change the College's Constitution would be conducted by way of a poll.

For practical reasons to ensure a smooth running of the meeting it was proposed to conduct the poll on each of the four resolutions at the end of the meeting.

The meeting was also advised that any "open" proxies provided to the President as Chair of the meeting would be cast against each of the Special Resolutions.

The Special Resolutions will each be put to the meeting in turn and Members will have the opportunity to make comment or ask any questions before the Resolutions are then put to the vote.

4. ITEMS OF BUSINESS

The President then moved each of the resolutions in turn as Special Resolutions as follows:-

Special Resolution 1 – that the Constitution of the College be amended, with effect from the close of the meeting, by changing object 1.1.5 of "Objects" in the Constitution as follows:-

- 1.1.5 to provide a democratic and transparent setting within which physicians can come together for their common benefit, for scientific discussions and to enhance the welfare of society.

Special Resolution 2 – that the Constitution of the College be amended, with effect from the close of this meeting, by inserting the following paragraph into the Constitution as paragraph 5.4:-

- 5.4 Notwithstanding anything else in this Constitution, the Members of the College may by a majority vote at a General Meeting of the College direct and authorise the Board to develop or implement certain policies or undertake certain actions, provided that such directions and authorisations are in accordance with the law and consistent with the Objects of the College.

Special Resolution 3 – that the Constitution of the College be amended, with effect from the close of this meeting by inserting the following paragraph into the Constitution as paragraph 7.2.11:-

- 7.2.11 in accordance with Object 1.1.5, ensure that the business of the College is conducted in a spirit of democracy and transparency.
 - 7.2.11.1. The business of the College is to be conducted in a manner that enables members to have access to full and adequate information about policies, procedures, financial transactions and commitments, administrative decisions and records and minutes relating to all aspects of College business, including those involving committees and the Board.
 - 7.2.11.2. For the purposes of facilitating the operation of paragraph 7.2.11.1, records of the College are to be available for inspection on request by members of the College, subject only to limitations imposed by obligations of commercial confidentiality arising out of any contract into which the College has entered with external organisations or legal obligations arising under privacy or other

legislation.

7.2.11.2. Notwithstanding what is stated elsewhere in this Constitution, all individuals undertaking activities on behalf of the College, including elected officials, salaried staff, and members and others occupying roles without payment are accountable to the members of the College.

7.2.11.3. Paragraph 7.2.11.2 is to be interpreted in relation to the following principles and procedures:

1. The members of the College shall have the power to remove from office any Board member or other elected official at any time through a simple majority vote at a General Meeting;
2. As stated in paragraph 5.4 above, the members may by a majority vote at a General Meeting direct and authorise the Board to develop or implement certain policies or undertake certain actions, provided that such directions and authorisations are in accordance with the law and consistent with the Objects of the College.
3. The members of the College shall have the power to direct and authorise the Board to develop or implement certain policies or undertake certain actions, provided that such directions and authorisations are in accordance with the law and consistent with the Objects of the College, through a motion carried by a simple majority vote in a plebiscite of all College members as referred to in paragraphs 4 to 6 below.
4. The Board will be required to hold a plebiscite within 28 days following receipt of a written request from the lesser of:
 - a) at least 5% of members who are entitled to vote at a general meeting; and
 - b) at least 100 members who are entitled to vote at a general meeting, and the written request:
 - c) states the propositions to be proposed to the referendum; and
 - d) is signed by all the members making the request.
5. The referendum may be conducted either by email or post at the Board's discretion.
6. The outcome of a vote at a plebiscite conducted in accordance with this section will be binding on the Board.

Special Resolution 4 – that the Constitution of the College be amended, with effect from the close of this meeting by inserting the following paragraph into the Constitution as paragraph 9.11:-

9.11 Register of interests of directors, officers bearers and employees

- 9.11.1. The Board will ensure that all office bearers and employees of the College provide written declarations regarding any personal interests they have which may influence decisions they may make or in which they may participate in

relation to College business.

- 9.11.2. The declarations referred to in 9.11.1 will be placed in a Register which will be available to scrutiny on request by College members.

The President then opened the meeting for comments or questions from Members present.

A number of statements were made and questions asked which are attached as an Annexure to these minutes.

When all questions and statements by Members had ended the President then proceeded to put the four Special Resolutions to the vote.

5. VOTING BY POLL

The President advised that the voting on the four Special Resolutions was to be conducted by poll, not by a show of hands which would restrict voting to only those present at the meeting. This is to ensure that those Members who have appointed a proxy online or by other means, and were otherwise unable to attend this meeting in person, will be counted in the determination of whether or not the proposed amendments to the Constitution will be passed.

The following proxy voting instructions received in relation to each of the four Special Resolutions were then displayed for Members' information:-

	FOR	OPEN	AGAINST	ABSTAIN	TOTAL
Resolution 1	2,106	215	1,728	73	4,122
Resolution 2	1,919	216	1,904	83	4,122
Resolution 3	1,841	216	1,952	113	4,122
Resolution 4	2,032	216	1,781	93	4,122

The President then directed that a poll be conducted, as authorised by the Constitution.

Mr Richard Hannan of Computershare Limited, who had examined and prepared summaries of the proxy instructions received, was then called upon to act as Returning Officer and determine the results of the poll. Mr James Winter, a partner from the College's external audit firm, Grant Thornton Audit Pty Limited, acted as the independent scrutineer of the voting.

Members in attendance were then requested to cast their votes, and those of any proxies they held, in respect of the four Special Resolutions, using the voting cards provided.

When all votes were cast and collected, the President closed the poll to allow the results to be determined.

As there were no other items of business to consider, the President called for a break in the meeting to allow the Returning Officer to determine the results. Members who were unable to stay for the recommencement of the meeting were advised that the results of the poll will be posted to the College's website shortly after the close of the meeting and also advised to Members through the College's usual communication channels.

6. DECLARATION OF POLL

The President re-commenced the meeting and advised Members of the results of the Poll on the four Special Resolutions. None was carried by the requisite majority voting in favour.

Accordingly the President declared that the four Special Resolutions to amend the College's Constitution have not been passed and thus the proposed amendments to the Constitution will not be made.

The formal declaration of the poll by the Returning Officer is attached to these minutes.

7. CLOSURE OF MEETING

There being no further business, the President thanked Members for their attendance and declared the meeting closed at 5.25pm (AEST).

Signed as a true and correct record



.....
Laureate Professor Nicholas Talley

President

Date

Annexure

Statements/Questions to Extraordinary General Meeting held on 9 July 2015

The following statements were made and questions asked at the Extraordinary General Meeting held on 9 July 2015.

Professor Philip Morris	An opportunity for the meeting to hear and debate statements both in favour of, and opposed to, the proposed resolutions.
Dr Peter Lazzari	Delivered a prepared statement raising the issue of “corporatisation/managerialism” causing the demise of the health system in Australia and similarly affecting the College.
Dr John Carter	Was interested in the pros and cons of each resolution. Asked two questions:- i). Why is the Board opposed to resolution 1 which appears to be a motherhood statement? ii). Why is the Board opposed to resolution 4? Boards/Committee Members should be declaring their interests.
Response	i). The Board is not opposed to the concepts of democracy and transparency being a part of the College’s ethos. However the Board remains concerned that the addition of “enhancing the welfare of society” presents unnecessary legal uncertainty and interpretive complexity. As a practical matter this amendment would require the Directors to form the view that each action they approve is consistent with this objective, which is open to differing interpretations. The College’s Constitution as a legal document setting out how the College will be organised and governed in pursuit of its objects must contain clauses that are clear in their intent and free from ambiguity or open to interpretation. ii). The College has a robust Conflicts of Interest Policy and it is the practice of the Board and other College Bodies for declarations of interests to be provided, or updated, at the start of every meeting, and there is no knowledge of any failure of this process within the College. The Board can see no material benefit with what is proposed but considers it to be potentially unworkable and expensive to try to comply with and uncertain in its scope and interpretation.
Associate Professor Michael Hooper	Why were these resolutions put to a specially convened extraordinary General Meeting, at considerable time and expense to the College, rather than being held over and considered at the College’s next AGM?

Response	<p>The requisition was received on 11 May 2015, too late for inclusion in the Notice convening the Annual General Meeting, which was held on 25 May 2015.</p> <p>Once such a request to hold a general meeting is received a strict timeline applies in that the Board must convene the requested meeting within 21 days of receiving the request and must hold the meeting within 2 months, which the Board has done.</p>
Associate Professor Ian Kerridge	<p>Provided comment on resolution 1 and why it was proposed for addition to the Constitution; confirming the concept of community benefit within the College's objects. Has not seen a coherent argument against resolution 1.</p>
Response	<p>In addition to previous comments made on the Board's position the meeting was advised that the Board seriously considered its position regarding resolution 1 and had concerns that the actual words provided were vague and open to different interpretations and may have unintended consequences for the College if implemented. The Board was not provided with any opportunity to discuss the resolutions proposed before the requisition was received and once received the Board had to proceed to convene the General Meeting to consider the resolutions as presented within the strict timelines prescribed by the Constitution.</p>
Professor John Wilson	<p>Stated that he personally had considerable sympathy with concerns raise by Dr Lazzari, but working together is preferable to working apart.</p> <p>Concern was expressed that the article in the Medical Journal of Australia concerning the College and this requisition appeared without any consultation or engagement with the College or any of its office holders.</p> <p>He personally, as President of the Adult Medicine Division and a member of the current Board is happy to work with others to review the processes within the College to consider such issues before resorting to a legal route only.</p>
Professor Paul Komesaroff	<p>Provided comment that this process has been used to strengthen and unite the College by providing the opportunity to reflect on our values and what we want our College to be.</p> <p>The resolutions in the requisition reflected the concerns of a number of people within the College.</p> <p>A process of reconciliation can commence once this meeting has ended.</p> <p>Professor Komesaroff also commented on the legal actions taken by the College in 2014 concerning that requisitioned general meeting and attributed some precedents quoted from an earlier case to the College.</p>

Response	<p>The President-Elect clarified that the Court action taken on 2014 was to determine whether one of the two resolutions requested to be put to a general meeting was within the power of Members to consider.</p> <p>The second action was a joint application by the College with Professor Komesaroff on behalf of those that had requisitioned the meeting, to the Court to have it ruled that the requisitioned General Meeting need not proceed.</p> <p>This action followed discussions between representatives of the then Board and of those that had requested the general meeting which reached an agreement that the meeting was no longer required. However once the request to hold a general meeting had been lodged with the College, only the court could subsequently determine that it no longer be held.</p>
Associate Professor Michael Hooper	Perhaps the Board could review the wording of the proposed resolutions 1 and 4 and submit any changes to the next Annual General Meeting of the College for Members' consideration.
Response	This was a reasonable proposal that the Board will consider.
Professor Philip Morris	Spoke to the proposed resolutions 2 & 3 and outlined that the reasons these have been proposed is to allow Members to take the necessary action if the Board is considered to be acting inappropriately.
Response	<p>The right to remove the Board by Members already exists under the Corporations Law, which applies to the College where its own Constitution is silent on any matter.</p> <p>The wording of these resolutions implies that there is no trust that the Members' elected representatives appointed to the Board will act in the best interests of the College and Members as a whole.</p> <p>These resolutions if implemented run the risk of making the College ungovernable.</p>
Clinical Professor Douglas Bridge	<p>Made a final comment that he, and the colleagues he has spoken to have great respect for the Board and the work it undertakes on behalf of the College and all Members.</p> <p>In his view there are already enough safeguards built into the Constitution and these resolutions do not add to those safeguards. The College does not need to resort to a legal route to resolve the issues that the proposed resolutions are trying to address.</p>

In conclusion the President stated that the Board of the College, regardless of who the individual Directors may be, has to function under the Constitution, and any changes to that document must be as precisely worded as possible so as to be clear in their intent and free any ambiguity.

The Board took appropriate advice and its position was reached after considerable debate amongst Directors, as was subsequently detailed in the Notice sent to all Members.



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9 July 2015

The Chairman
 The Royal Australasian College of Physicians
 Level 8, 52 Phillip Street
 Sydney NSW 2000

Poll Report

I, the Returning Officer appointed by you in connection with the voting by poll on the motion set out below at the General Meeting of the Members of The Royal Australasian College of Physicians held The Royal Australasian College of Physicians, College Education Centre, Level 8, 52 Phillip Street, Sydney, NSW, Australia on 9 July 2015 at 4:00pm, report as follows:

Item 1 Resolution 1

	Number	%
Votes cast 'FOR' the motion	2,126	52.21
Votes cast 'AGAINST' the motion	1,946	47.79
TOTAL VOTES CAST	4,072	100.00
Votes "Abstained"	72	

The resolution was not carried as a Special resolution.

Item 2 Resolution 2

	Number	%
Votes cast 'FOR' the motion	1,935	47.66
Votes cast 'AGAINST' the motion	2,125	52.34
TOTAL VOTES CAST	4,060	100.00
Votes "Abstained"	84	

The resolution was not carried as a Special resolution.

Item 3 Resolution 3

	Number	%
Votes cast 'FOR' the motion	1,854	46.00
Votes cast 'AGAINST' the motion	2,176	54.00
TOTAL VOTES CAST	4,030	100.00
Votes "Abstained"	114	

The resolution was not carried as a Special resolution.

Item 4

Resolution 4

	Number	%
Votes cast 'FOR' the motion	2,052	50.65
Votes cast 'AGAINST' the motion	<u>1,999</u>	<u>49.35</u>
TOTAL VOTES CAST	<u><u>4,051</u></u>	<u><u>100.00</u></u>
Votes "Abstained"	93	

The resolution was not carried as a Special resolution.

Your Sincerely



Richard Hannan
Returning Officer
Computershare Investor Services Pty Limited