

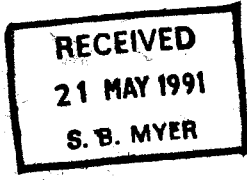
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15 May 1991

Mr S.B. Myer, AC
Chairman
National Mutual Life Association
of Australasia Limited
GPO Box 2830AA
MELBOURNE VIC 3001

Dear Mr Myer

Early in 1990 the Business Council, the ASX, the Institute of Chartered Accountants and the Institute of Company Directors of Australia combined to form a Working Group which produced the public discussion document: "Corporate Practices and Conduct". Substantial and valuable commentary was received from many business leaders and the paper was revised with the help of four additional organisations, the Australian Merchant Bankers' Association, The Law Council (Business Law Section), the Australian Society of Certified Practising Accountants and the Securities Institute.

The paper now represents a consensus of opinion across a wide cross section of Australian business, on the principles that should guide corporate conduct. The general observance of these principles would do much to restore the reputation of Australian business.

The Working Group is conscious of the danger that public reaction to the excesses of the 1980s may lead to unnecessary additional legislation or regulation. It notes the statement in the Senate report on Company Directors' Duties "The legislature need only provide criminal and civil sanctions when ethical standards are low or when they are not met."

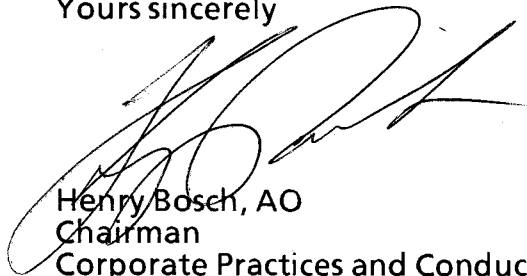
The paper has now been published as a booklet and a copy is enclosed. You will note that the Working Group proposes that the annual reports of all public companies should include a statement by the directors that the company supports and has adhered to the principles set out in the paper. It is further proposed that any departures should be noted and the reasons for them given. It is suggested that such a statement might be in a form of words such as:

"The directors support and have adhered to the principles set out in the paper "Corporate Practices and Conduct" (except as noted below). The directors recognise that the paper expresses principles and does not purport to determine the detailed course of conduct of directors on any particular matter. By supporting the principles of the paper the directors recognise the need for the highest standards of behaviour and accountability."

The Australian Investment Managers' Group (AIMG) which represents 30 of Australia's leading institutional investors has strongly endorsed the paper. It has publicly stated that its members "will give preference in their investment decisions to those corporations which comply with the principles in the paper." The chairman of the AIMG has also stated: "The Group particularly looks to listed companies to include in their annual reports a statement that they support and have adhered to the principles set out in the paper".

The Working Group believes that if leading companies, such as yours, which are already, wholly or mainly, following the principles were to make the proposed statement in their next annual reports it would do much to lead other companies to re-examine and, where necessary, to adjust their practices, and to make the statement in their turn. This would be of real value in improving the reputation of Australian business and would, no doubt, influence the form and extent of any additional legislation or regulation.

Yours sincerely

A handwritten signature in black ink, appearing to be 'H. Bosch', written over a large, faint circular watermark or stamp.

Henry Bosch, AO
Chairman
Corporate Practices and Conduct Working Group