



Manager  
Market Conduct Division  
The Treasury  
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Friday, 23 October 2020

Dear Josh Frydenberg and Independent Review Panel,

I have been an active participant in Company AGMs for a number of years and believe that meetings held in person are an important part of ensuring high standards of accountability are maintained in the corporate governance of public companies.

I would like to make a submission on the draft legislation that would make permanent changes to the *Corporations Act 2001* in relation to virtual meetings and electronic document execution. This submission will cover:

- Examples of companies taking advantage of virtual meetings to restrict shareholder interaction
- Expected safeguards if any changes to the *Corporations Act 2001* are made
- Why these safeguards are necessary

This year there have been examples of companies only allowing shareholders to submit questions prior to the meeting and not allowing shareholders time for questions at all throughout the meeting. Other companies have collected questions prior to the meeting but then neglected to put those questions to the Chair.

If the *Corporations Act* is amended to permanently allow virtual annual general meetings, it is integral that safeguards are put in place to ensure shareholders have the same ability to interact and engage with directors as if they were attending a physical meeting. This includes having the ability for people to attend in person and via a telephone and video conference line. This is necessary to:

- Allow shareholders and proxies to ask questions and make statements in their own words;
- Ensure questions and statements are not edited or ignored by the company; and
- Enable shareholders to clarify questions and responses and ask follow up questions if the Chair or other respondent is unclear or fails to answer the question raised.

Some companies, including Macquarie and Rio Tinto, showed transparency and accountability at virtual AGMs can be greatly improved by giving shareholders the opportunity to ask questions in real time via telephone and keeping them on the line to answer any follow-up.

Unfortunately, most companies have not taken this approach. Most annual general meetings have only had a text-only chat function where there is no opportunity for follow up and

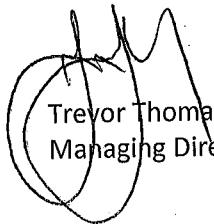
clarification. This has enabled companies to avoid properly addressing difficult questions that were submitted.

Annual general meetings are rare opportunities shareholders get to directly engage with their board.

This legislation needs to take this into account and ensure shareholders' rights to open and transparent engagement with directors at AGMs is safeguarded.

Thank you for your consideration of my submission.

Regards,



Trevor Thomas  
Managing Director