



2 November 2020

Manager
Market Conduct Division
The Treasury
Langton Crescent
Parkes ACT 2600

Submitted by email: businesscomms@treasury.gov.au

Insurance Australia Group Limited (**IAG**) welcomes the opportunity to comment on Schedule 1 to the Corporations Amendment (Virtual Meetings and Electronic Communications) Bill 2020 (**Exposure Draft**) and explanatory materials (**Explanatory Materials**) to the Exposure Draft.

IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand. Our businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (in Australia); and NZI, State, AMI and Lumley (in New Zealand).

With more than 8.5 million customers and information on the majority of motor vehicles and domestic residences in our markets, we use our leadership position to understand and provide world-leading customer experiences, making communities safer and more resilient for the future.

Our purpose is to “make your world a safer place”. We recognise that our role extends beyond transferring risk and paying claims. Our purpose drives our business to work collaboratively with communities to understand, reduce and avoid risk, and to build resilience and preparedness. This results in better outcomes for the community and means fewer claims and lower costs for our business.

IAG’s interest in the Exposure Draft is driven by our large, predominantly retail shareholder register. As at 7 July 2020, IAG had a total of 643,871 ordinary shareholders.

IAG is supportive of reform that seeks to maintain a balance between the need to facilitate shareholder participation against the need to manage the associated costs to companies.

If you have any questions or require any further information please do not hesitate to contact Vincent Lee, Principal, Public Policy & Industry Affairs on (02) 9292 3715 or vincent.lee@iag.com.au.

Yours sincerely

Peter Horton
Group General Counsel



Overview

IAG supports amendments to the *Corporations Act 2001* (Cth) (**Corporations Act**) as set out in the Exposure Draft that allows companies to execute documents, hold meetings, provide notices relating to meetings and keep minutes using electronic means or alternative technologies.

In particular, we believe the use of modern technologies to hold directors' meetings, execute company documents and give documents relating to meetings has the potential to deliver greater efficiencies and savings for industry.

In our submission, we have made one recommendation relating to the execution of company documents that we believe will provide greater certainty around how these laws are intended to operate. We have also added some commentary showing our support for virtual directors' meetings and the manner in which documents relating to meetings may be given.

Execution of company documents

Paragraph 1.12 of the Explanatory Materials states "the director or secretary may receive and sign an electronic copy of the document if three conditions are satisfied". The third condition requires "the person [to] identify themselves and indicate their intention using a method that is as *reliable* [emphasis added] as appropriate for the purposes for which the company is executing the document or proven in fact to have indicated the person's *identity* [emphasis added] and intention".

IAG uses a cloud-based platform, known as 'DocuSign', to execute documents electronically. It has been noted that the reliability and identification requirements should generally easily apply to documents signed through platforms, such as DocuSign.¹

However, given the *Electronic Transactions Act 1999* (Cth) was introduced in a pre-DocuSign-type platform era, we believe it would be helpful for the Corporations Act to specifically permit the use of such technologies in the execution of electronic copies of documents. As such, we would recommend words to the following effect be inserted into section 127 of the Corporations Act:

For the avoidance of doubt, the requirements in paragraphs (3B)(c), (3B)(d) and (3B)(e) may be satisfied through identification, authentication and/or other relevant requirements implemented through an online or cloud-based electronic signing platform.

Virtual meetings

We believe using electronic means to hold directors' meetings (and presumably Board Committee meetings) is a positive and welcome change. And when combined with the ability to execute company documents electronically, it will deliver great efficiencies and cost

¹ Diccon Loxton, 'Not Worth the Paper They're not Written on? Executing Documents (Including Deeds) Under Electronic Documentation Platforms: Part A' (2017) 91 *Australian Law Journal* 133, 149.



savings for industry. This is particularly the case for many Australian companies where Board members are located in various jurisdictions, including internationally.

While we acknowledge the flexibility of being able to hold AGMs virtually, IAG currently has no plans to implement virtual meetings (unless there is health advice to the contrary).

Notice of meeting

In the absence of the temporary modifications to the Corporations Act, IAG is required to send printed notices of meetings to those shareholders who have not elected to receive meeting materials electronically. For IAG's 2019 AGM, we distributed approximately 446,000 printed copies.

This year we benefitted from the temporary modifications that allowed us to send a short-form printed AGM Access Notice (versus a printed notice of meeting in its entirety) that advised our shareholders where the meeting materials could be viewed on the company's website. Attached to this submission (marked 'Annexure A') is a sample of that Notice.

Overall, 55.44% of IAG's issued capital was voted at this year's AGM, an increase on the 52.45% that was voted last year, indicating participation in the business of the meeting was not affected by the change to the method of access of meeting materials. In these circumstances, we believe the significant costs and environmental impacts associated with printing and distributing hard copy notices of meetings to such a large number of shareholders is not warranted.

As such, we support making permanent the temporary modifications that will allow us to repeat this year's process and send a short-form printed notice of access to shareholders who have not elected to receive meeting materials electronically, providing information about where to find meeting materials on the company's website.



Annexure A
2020 IAG AGM Access Notice



IAG
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

NEED ASSISTANCE?



Phone:
 1300 360 688 (inside Australia)
 +61 3 9415 4210 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 10:00am (Sydney time) Wednesday, 21 October 2020.

INSURANCE AUSTRALIA GROUP LIMITED ANNUAL GENERAL MEETING

IMPORTANT INFORMATION ABOUT IAG'S 2020 ANNUAL GENERAL MEETING

In light of the coronavirus pandemic and in keeping with our purpose – to make your world a safer place – this year's Insurance Australia Group Limited (**IAG**) Annual General Meeting (**AGM**) will be conducted virtually through the online AGM platform at web.lumiagm.com

The Australian Government has temporarily modified the *Corporations Act 2001* to permit virtual AGMs, and for Notices of Meeting and other AGM materials to be provided online to shareholders.

All the information you need to participate in our 2020 AGM, including how to access the Notice of Meeting and how to lodge your voting form and shareholder questions, is contained in this notice.

MEETING DETAILS

IAG's 2020 AGM is being held virtually on Friday, 23 October 2020 starting at 10:00am (Sydney time).

HOW SHAREHOLDERS CAN PARTICIPATE IN THE AGM

To participate **online** you will need to:

- visit web.lumiagm.com;
- type in IAG's meeting number, which is 384962274;
- select the Securityholder or Proxy button;
- type in your SRN/HIN (which is set out in the box to the right); and
- type in your postcode.

If you log in to the online meeting on 23 October 2020 as a shareholder, you will be able to view a live webcast of the meeting, ask the Directors questions online, and submit your vote in real time.

You can access the meeting using your smartphone, tablet or computer:

You will need the latest version of a compatible browser such as Chrome, Safari, Internet Explorer, Edge or Firefox to access the website.

Further instructions on how to participate online are set out in the online meeting user guide available at: www.iag.com.au/shareholder-centre/annual-meetings

To participate **via teleconference** you will need to:

- use any landline or mobile device;
- dial this phone number 1800 455 963 or 1800 908 299 (Australia) or 0800 452 795 (New Zealand);
- when prompted, enter the meeting code which is 10009761.

Further details on how to participate in the meeting are on the reverse of this page.

ACCESS THE MEETING DOCUMENTS AND LODGE YOUR VOTE ONLINE

You can access the meeting documents and lodge your vote online at www.investorvote.com.au or by using your mobile device to scan the personalised QR code below.

You will need your secure Control number and Holder number, set out below.



Control Number: 999999
SRN/HIN: I999999999

For Intermediary Online subscribers (custodians) use www.intermediaryonline.com



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential

To vote in advance of the meeting:

You can vote on the resolutions being put to the meeting anytime between now and 10:00am on 21 October 2020, by following the instructions set out in the box on the front of this page. You will need to:

- type in the Control number provided; and
- type in your SRN/HIN when prompted.

To ask questions before the AGM

As in past years, we encourage shareholders to ask questions in advance of the AGM. If you would like to ask a question ahead of the meeting, you can do this:

- online at www.investorvote.com.au;
- by printing off a copy of the question form available at www.iag.com.au/shareholder-centre/annual-meetings and mailing or faxing this to the address shown overleaf; or
- by emailing your questions to: investor.relations@iag.com.au

Please note that responses will not be provided to individual shareholders, but answers to the most commonly-asked questions will be posted to IAG's website at: www.iag.com.au/shareholder-centre/annual-meetings.

WATCH THE AGM AS A GUEST

You can also watch the meeting as a guest. Simply visit web.lumiagm.com and type in IAG's meeting number, which is 384962274.

Note: you cannot ask questions or vote during the meeting if you register as a guest.

You can access the meeting using your smartphone, tablet or computer:

You will need the latest version of a compatible browser such as Chrome, Safari, Internet Explorer, Edge or Firefox to access the website.