29th October 2020

Manager

Market Conduct Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

BY EMAIL: [businesscomms@treasury.gov.au](mailto:businesscomms@treasury.gov.au)

Dear Madam/Sir,

# Exposure Draft Consultation - Making permanent reforms in respect of virtual meetings and electronic document execution

Solaris Investment Management Ltd (Solaris) is a mid-sized listed Australian equities fund manager based in Brisbane, Queensland providing institutional funds management services to a range of clients. Within this role Solaris is actively involved in voting at Annual General Meetings (AGMs) on behalf of our clients and the many facets of governance associated with the management of share ownership.

* Solaris is not supportive of fully virtual AGMs. A hybrid model which facilitates both virtual and physical attendance at AGMs is Solaris’ preferred model.
* Removing the ability to attend a physical AGM and offering only virtual AGMs removes what can be a rare avenue of direct communication and dialogue currently afforded to shareholders through the ability to attend a meeting physically and see and speak directly to the Board of Directors that are responsible for governing the shareholders’ company. We believe that the availability of a physical AGM also allows the Board of Directors to engage with shareholders on a more personal and accountable level. Solaris does not believe that a Board should be able to move solely to a virtual AGM regime except under extenuating circumstances – such as the COVID-19 pandemic has presented.
* Solaris is concerned that a board, prior to a virtual meeting, has the ability to select the questions that will be put to that meeting and thereby may be able to steer meetings in a preferred direction. We do not feel it is sufficient that the minutes include all questions or comments submitted by shareholders or members (prior to the meeting) as the full range of questions would not become apparent to other stakeholders until after the meeting and the opportunity for fulsome discussion had passed. Solaris believes that boards should welcome robust discussion and questions from all stakeholders and are concerned that a changed format may lessen this.
* The physical AGM provides a useful forum for debate and for sharing differing points of view. We hold concerns regarding the ability of retail investors to adequately engage and have their questions heard via virtual meetings.
* With respect to shareholder meetings, the definition of “reasonable opportunity to participate” is problematic – what is reasonable to some may not be reasonable to others. Certain groups of shareholders may effectively be excluded from a meeting that it is their right to attend.

Yours faithfully

**William Earnshaw**

Managing Director

Solaris Investment Management Limited