

19 July 2024

## Statutory Review of the Meetings and Documents Amendments – consultation

Submitted by email: [meetingsanddocumentsreview@treasury.gov.au](mailto:meetingsanddocumentsreview@treasury.gov.au)

Thank you for the opportunity to provide feedback on the consultation “Statutory Review of the Meetings and Documents Amendments”.

Computershare (ASX: CPU) is a global market leader in share registry, employee equity plans, proxy solicitation and stakeholder communications. In Australia, we support our clients to plan and deliver 1000 annual general meetings, scheme meetings and member meetings each year. This includes preparation and distribution of meeting documents (print and digital), proxy voting (paper and electronic), conducting the AGM and post meeting reporting. We operate our proprietary meetings technology for virtual and hybrid meetings.

Given our deep experience in the management of 4000 meetings annually in Australia and overseas (UK, Europe, New Zealand, North America and Hong Kong), we are pleased to be contribute to this Review.

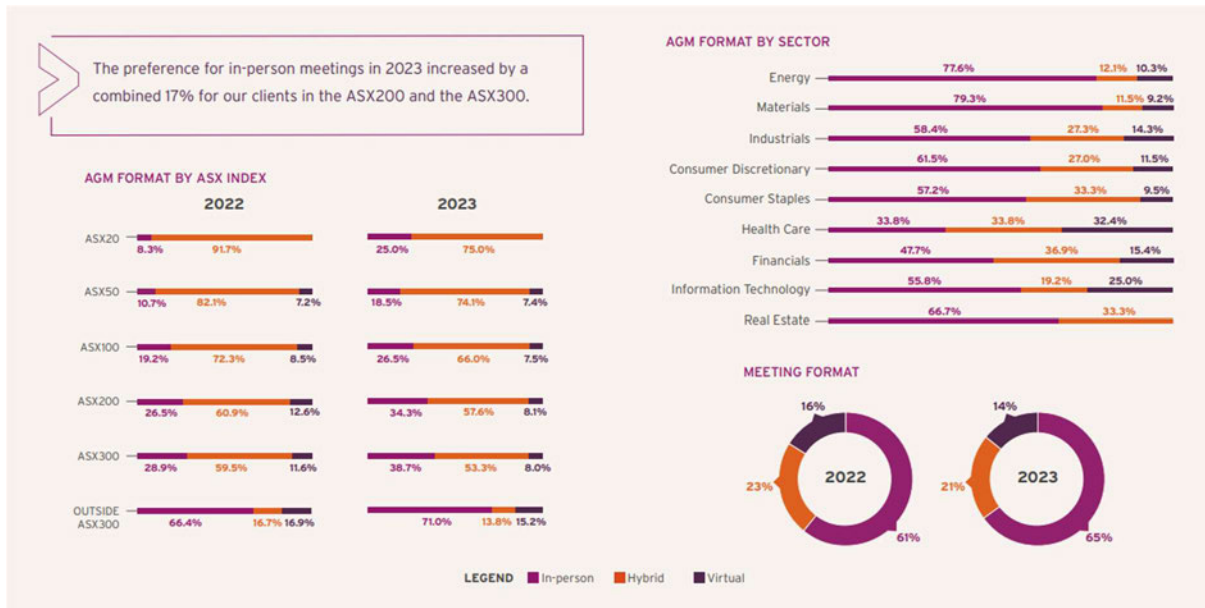
As per the consultation paper we have provided a response to the questions outlined as follows:

- 1. How has the experience of running company or registered scheme members meetings changed since the amendments? What have been the effects of the amendments on the costs of holding AGMs or other meetings?*

In 2021, our clients held their AGM virtually (56%), in person (38%) or using a hybrid format (6%). As Covid restrictions reduced in 2022, we have seen a return to in person meetings. This trend has continued with in person meetings the preferred meeting format across our client base at 65%. The hybrid format has been utilised by 21% of our client based, predominately by ASX100 companies.

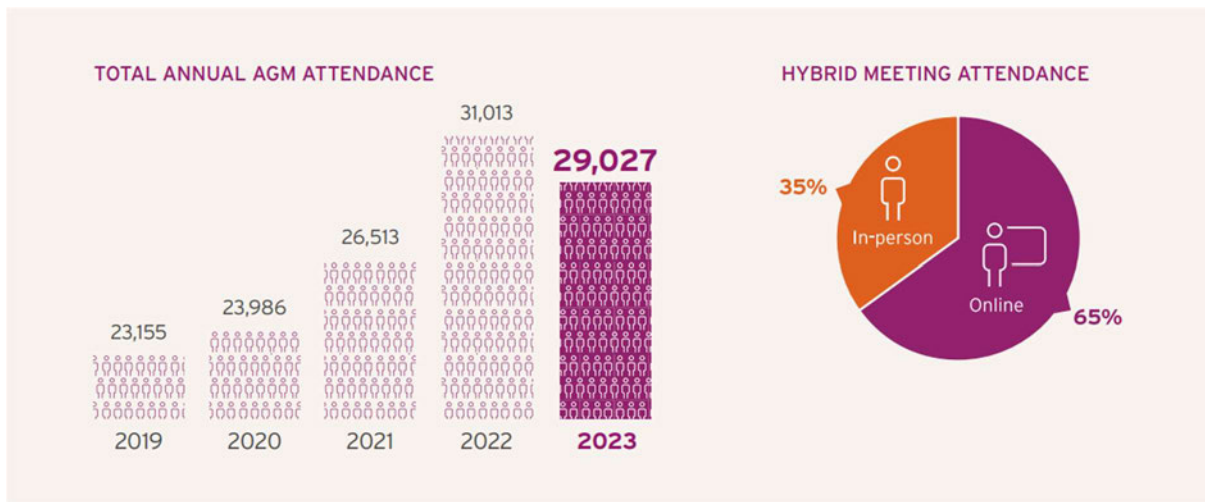
The main change for clients conducting a hybrid meeting is the requirement to allow questions to be provided orally when using virtual meeting technology, requiring the provision of telephone or voice over internet functionality at the meeting. This function can add complexity to the shareholder question process, as three channels (at meeting, online and by phone) need to be monitored and addressed for each item of business being discussed. This service also adds cost to the conduct of the meeting as the voice requirement is an additional overhead that is rarely used, with on average 5 of our clients receiving a voice question in the last 12 months. The cost varies from \$500 to \$2000 a meeting.

Prior to the amendments, many of the ASX50 clients had chosen to webcast their AGM and provide the option to ask a question online. The main beneficial change to the hybrid format was the introduction of online voting.



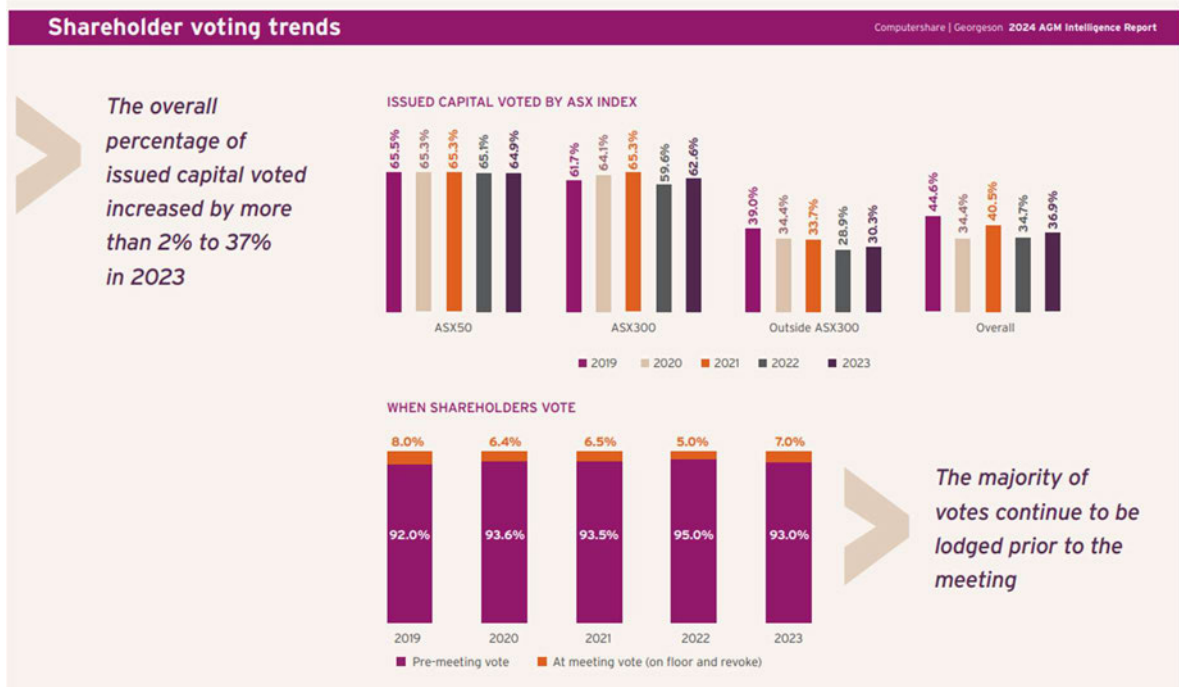
2. How have the amendments affected members participation and corporate governance? What improvements could be made to the conduct of online or hybrid meetings?

The introduction of the hybrid and virtual formats since 2020 has broadened the opportunity for investor participation at annual meetings, including participation by employee shareholders.

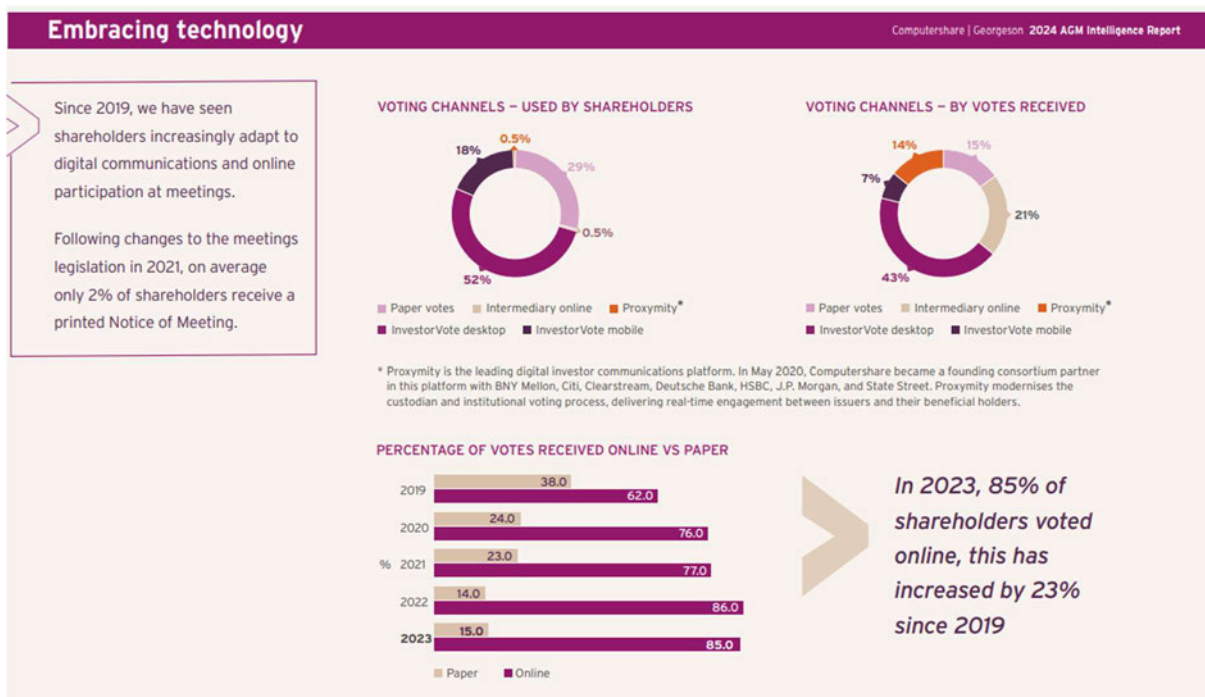


For our clients who are categorised as small cap, the physical AGM is currently the preferred option due to cost, time and number of attendees.

Voting participation has not been impacted by the amendments, with pre-meeting proxy lodgement remaining the primary source of voting. Voting participation (by retail investors) is driven by the items of business and company performance. The percentage of issued capital voted remains consistent over the last 5 years. While institutional investors (and the agents they engage) say they want to retain the right to attend in-person meetings, they rarely do.



Importantly the adoption of digital communications has seen an increase in proxy voting online:



Computershare has not witnessed any material impact on corporate governance or shareholder rights through the AGM amendments. When virtual meetings were introduced in 2020 ASIC monitored the conduct of meetings. We would recommend that the Committee seek this feedback from ASIC to determine if any complaints were received about how meetings were conducted.

It should also be acknowledged that a hybrid or virtual format provides the option for non shareholders to view an AGM via the webcast, and as a result greater scrutiny of AGM conduct. From an investor perspective the option of a company conducting an online meeting whether it be via hybrid model or virtual meeting has provided investors with greater choice in how and when they participate in an annual meeting.

For example, during October and November there may be up to 40 companies conducting their AGM on the same day. The online model allows people to participate in multiple AGMs from their home or workplace. This would not have been possible in a traditional in person only meeting. The other benefit of a hybrid or virtual model is that people who are interested in becoming a future investor in a company can watch an AGM virtually to hear from board and management, restricted to in person attendance prior to the changes.

Recommended improvement for the conduct of a hybrid meeting:

**Oral questions:**

- removing the requirement for **online oral questions for the hybrid format**. This will reduce the cost of conducting a hybrid meeting and improve the question time process at the meeting. With the majority of companies providing the option for shareholders to lodge a question by post or electronically prior to the AGM, this provides a simpler, and cost effective option for shareholders to ask a question at the AGM if they do not have computer access.

*3. If improvements are needed to better facilitate members, participation and corporate governance, what improvements could be made to the conduct of online or hybrid meetings?*

The requirement for companies to have a constitutional amendment to allow the conduct of virtual AGM is restrictive in its nature and is being influenced by investors who do not participate in the AGM. A company or member organisation should be able to determine the best method by which to conduct their annual meeting without the cost and time of constitutional amendments. This also allows companies to pivot to a meeting structure to manage physical security concerns about disruption by activists. Activism has increased in Australia, and retail shareholders are being impacted when they are required to undertake security checks in order to attend an annual meeting.

Recommended improvement for the conduct of a hybrid meeting:

**Constitutional amendment:**

1. remove the requirement for a Company Constitution amendment to enable the use of the virtual meeting format. The requirement has resulted in only a small number of companies successfully enacting this change. Companies not having the choice in AGM format can be restrictive, particularly when AGM activism heightens security concerns for an in-person meeting. OR
2. an alternative to removing Constitutional amendments is to enable virtual meetings, and introduce a lower threshold vote so shareholders reinstate the right to conduct virtual meetings every 3-5 years.

*4. Is the use of wholly online meetings, an objective of companies and registered schemes? Why or why not? If it is the objective what is impeding in the greater use of wholly online meetings by companies and registered schemes?*

As outlined in the response above, constitutional change is impeding the greater use of online meetings. It is hard to gauge company objectives when this is an automatic barrier. For companies who have low attendance at their AGM, in person will most likely remain the preferred option due to cost outlay. Some companies may achieve a similar outcome with virtual-only meetings.

*5. Have you experienced technological issues when running or attending a meeting with an online component? If yes what were they were? They addressed? And how did this occur?*

We have not experienced any technology issues in Australia of any substance across during the last four years. Computershare developed its online meeting platform in 2021 which has been used across our global markets. We continually invest in our platform, including process enhancements.

If shareholders experience any difficulties using the online AGM platform, they can contact our support desk for assistance during the meeting. This support line is advertised on websites and in printed AGM materials.

*6. Have you observed any significant differences in governance, shareholder participation, meeting conduct or quality between companies that have listed after 2022 amendments and those listed prior to the amendments?*

No.

*7. How have mandatory poll voting requirements affected the conduct of meetings and determining the opinion of members?*

We have seen no change to the conduct meetings for listed companies as they have been managing this process for many years. Apart from adding additional time to conduct a poll, we support the mandatory poll voting requirement. The principle of “one security one vote” is enshrined in the listing rules and recommended in the ASX Corporate Governance Council ‘Corporate Governance Principles and Recommendations’. Deciding resolutions based on a show of hands does not represent the voting power of the meeting.

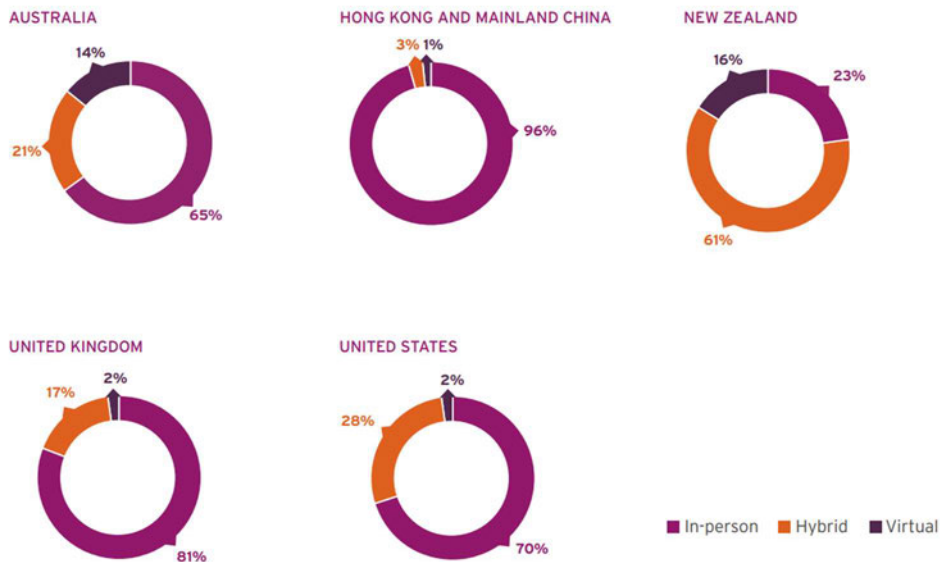
*8. Have there been any issues with submitting or complying with request for independent reports on polls?*

Not to our knowledge. However, we do not believe there has been many independent reports requested by shareholders under the new legislation.

Computershare was appointed as independent group to observe and scrutinise the poll of an ASX50 company and provided the required statutory documentation.

9. Are there lessons that Australia could take from other jurisdictions experiences with online or hybrid member meetings?

Below shows a comparison of how AGM's were conducted by our clients in major markets during 2023.



10. How have the amendments affected the effective operation of directors' meetings?

We have nothing to contribute to this question.

**Other items to consider:**

The AGM meeting process (not format) has had little change in 100 years. However, what has changed is the access investors have to Boards and senior management outside of the AGM. Australia's continuous disclosure regime provides comprehensive and timely information about company performance and activities, which are also reported through the media.

It is common for ASX100 companies to provide the option for shareholders to lodge questions prior to the AGM. This assists shareholders who cannot attend the meeting, or do not wish to publicly ask a question at the AGM.

Yours sincerely

**Marnie Reid**  
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Computershare Investor Services

The Computershare AGM Intelligence Report (2023 season) is available at:  
[www.computershare.com/au/insights/2024-agm-intelligence-report](http://www.computershare.com/au/insights/2024-agm-intelligence-report)