

Lumi Global –Australia Treasury Submission (Public)



1. Introduction

This document is written in response to the Treasury's request for submissions into the Statutory Review of the Meetings and Documents Amendments process closing 19th July 2024. This submission is made by Gavin Reed – Managing Director of Lumi Global – Australia. Lumi Global is a dominant global player in provision of specialised services for the execution of Capital Markets meetings. Lumi Global has 13 offices across Europe, APAC, The Middle East, Africa, and the Americas, facilitating more than 40 countries with thousands of meetings each year and have been operating in this space since 2003. <https://www.lumiglobal.com/about>

2. 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?

The annual general meeting of a listed company, corporation or fund is the key meeting of the year providing an opportunity for all interested stakeholders, either shareholders or members, to address the board of directors and hold them accountable to the performance of the organisation throughout the previous financial year. For these reasons it is paramount that the meeting is accessible to as many stakeholders as possible.

Since the Treasury relief in 2020 and subsequent amendment of the corporation's act in February 2022, the access to the AGM of a company has been greatly improved. The capability of a company to hold hybrid meeting, allowing the same rights to online or virtual attendees as those physically present, has meant that a wider shareholder or member base can participate in the meeting no matter where the meeting is being held.

Due to Treasury/ASIC relief, the uptake of companies opting to hold a hybrid AGM has greatly increased. As a result of this, the technology used to deliver these meetings has kept pace and greatly improved the stakeholder experience. The ability to listen or watch proceedings, vote on resolutions in real-time and questions of the board in both text and verbal formats, are all key functions of a successful hybrid meeting. The technology used for these meetings should make the barriers to these functions as minimal as possible to enable the widest possible base of interested parties.

Any technology partner engaged to run these most important meetings should be able to demonstrate a robust solution capable of simultaneously hosting the entire register or member base of the organisation in question. Have robust and proven redundancy built in to eliminate technology failures and be subject to very strict data protection and security measures, such as SOC2 Type 2 accreditation and be ISO27001 compliant.

3. How have the amendments affected members' participation in meetings and has this affected the exercise of shareholder rights or corporate governance?

The introduction of hybrid meeting technology has opened access to meetings happening in different cities or states to a wider stakeholder base. Also allowing the capability of attending more than one meeting in any day, while removing travel time and cost for the member or shareholder. Not only does this improve the environmental footprint of meetings overall but giving the shareholders ability to access the meeting, interact with the Board of Directors and

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have their comments or questions raised and answered directly, improves corporate governance by giving a voice to more stakeholders more easily than physical only meetings.

4. 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?

Final poll results of the voting or poll should be disclosed at all hybrid meetings. The technology available is capable of this and should become a requirement. Disclosing the results in a format that not only displays the number of votes cast on a poll but the number of holders voting in each direction is a recommended improvement to current processes. Many resolutions are decided upon by a few major shareholders, disclosing the number of holders that have voted one way or another would demonstrate the wider shareholder sentiment rather than that of the few larger shareholders. By incorporating this measure, relevance of the meeting is improved and removes the sentiment of retail shareholders feeling disenfranchised.

Audio question capability should be seamlessly built into the online platform and not require pre-registration to use the service. A simple click to join queue button should be available in all platforms and should not require any further authentication in a secondary platform or to a phone operator. Importantly the audio transmission of the proceedings of the meeting should not be interrupted while joining or waiting in the verbal audio line queue. Any online solution should aim to replicate the in room experience as closely as possible. Physical attendees are not asked to register their intent to ask a question days before the meeting, it is therefore incongruous to ask that of virtual participants.

The focus for hybrid meetings to be "Digital First" (see Question 10 below), this reduces the cost associated with large physical venues and improves the experience for online shareholders.

5. 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 the greater use of wholly online meetings by companies and registered schemes?

The greater use of wholly online meetings is being impeded by the Corporations act that does not allow for companies to have wholly online meetings unless their company's constitution explicitly allows online meetings to be allowed.

Lumi Global is of the viewpoint that companies should be able to decide how to hold a meeting using any methodology making the meeting accessible to the widest range of shareholders, in a cost-effective manner. A caveat to the above is that shareholders should have the capacity to enforce a physical component to a meeting, to avoid instances of a company using the online only format to avoid facing shareholders. Suggestions include a strike against the rem report in a previous year, or a threshold of shareholders calling for a physical component to a meeting.

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6. 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?

Technology can fail and this can have a dramatic effect on the online shareholders. Any technology partner should have multiple layers of redundancy in place to ensure any issues do not affect the online portion of shareholders. A certification of minimum standards of redundancy should be required for any platform provider.

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

The trend we have seen is that companies listing post 2022 are generally including the capacity to hold online only AGMs in their company's constitution and therefore more open to a "Digital First" (see answer 10) format for their meetings. Arguably those holding Online or Hybrid components to their meeting would have better governance than those that do not as an online meeting is much more widely accessible for a broader range of shareholders/investors.

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

Mandatory poll voting has improved the governance of meetings deciding on the outcome of resolutions but it's important to note that results of these votes should be disclosed at the meeting in a format that shows not only the poll outcome but also the number of shareholders voting, this would disclose more insight into the wider shareholder sentiment on the resolutions rather than the opinion of the largest institutional shareholders.

9. Have there been any issues with submitting or complying with requests for independent reports on polls?

Not for any meeting using Lumi Global supplied software or services. Lumi Global specialise in instant vote calculations including consideration of live proxy revocations during the voting period. These results are available live during the meeting and can be fully examined in an audit process post meeting.

10. Are there lessons that Australia could take from other jurisdictions' experiences with online or hybrid members' meetings?

In Europe and the UK, we have seen a marked increase in Digital first hybrid meetings, this is where participation is encouraged to be online rather than in person. The physical venue is smaller (therefore cheaper) and pre-registration to attend physically is required and capped.

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Digital first meetings are heavily weighted towards the presence of the online audience, i.e. speeches and cameras shots, are directed towards the online audience rather than in-room and the Q&A preference is online first followed by in room questions. This gives much better parity for the online shareholders and reduces the cost and carbon footprint of holding a large physical meeting with often few shareholders in attendance.

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

Lumi Global are generally not directly involved in the meetings of Company Directors, however, the ability to sign legal documents remotely has greatly assisted in signing and witnessing Affidavits sworn to help approve the Schemes of arrangements of many mergers and acquisitions that Lumi Global have been party to running.

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12. Document revision history

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1.0	18/07/2024	Gavin Reed Managing Director - Australia	Gavin Reed Managing Director - Australia	New document

This version approved by: Chief Marketing Officer

13. Document classification

This Lumi Global document has been classified as '**Public**'. This means that Lumi Global has deemed that the information contained herein is freely available outside of the business or is intended for public use.

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