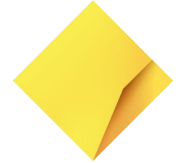


# Commonwealth Bank of Australia

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30 October 2020

Manager Market Conduct Division  
The Treasury  
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Dear Sir / Madam

## **Submission on Corporations Amendment (Virtual Meetings and Electronic Communications) Bill 2020 (Bill)**

The Commonwealth Bank of Australia (CBA) is Australia's largest bank and is the best known financial services brand in Australia. We are owned by over 888,000 shareholders and had the privilege of serving over 17 million customers in FY20.

CBA generally supports Government's proposal to permanently modernise the relevant provisions in the Corporations Act relating to virtual meetings and electronic notices.

In particular, CBA supports moving from paper based requirements in the Corporations Act to technology neutral provisions. The proposed changes assist to update the Corporations Act to align with an evolving, fast paced, digital world and to provide flexibility for further technological advances, or changes to how we most effectively interact with our shareholders, as we have experienced during the Coronavirus pandemic.

CBA is supportive of the proposals in the Bill that encourage a sustainable approach to engagement with our shareholders. It is crucial that we actively address the environmental impact of the use of paper and non-renewable energy in printing notices of meeting and other materials and their delivery given that alternative means of effective, timely and secure communication of information are now available, such as real time push notifications, emails and websites. Often, there is further wastage when printed documents are not received, read, or required.

Accordingly, CBA supports amending the Corporations Act to enable a company to give notice of a meeting by deeming members to have received meeting notices and materials, subject to the company making the meeting materials available in the public domain, and accessible using a universal or near-universal channel of communication, and issuing an ASX announcement, if listed. Making the meeting materials available on a company's website meets the current definition of a near-universal channel of communication. The time for the giving of a notice of meeting should run from the date of release to ASX, if listed, or the date of posting on the company website.

In relation to meetings, CBA supports the proposals in the Bill to give companies the flexibility to hold meetings in the way that is best suited to engaging with their particular shareholder base. Of CBA's 888,000 plus shareholder base, approximately 53% are broadly located, retail shareholders. We also have many large, domestic and international institutional investors. Our shareholder base has very different information needs. We support the facilitative approach to meeting format outlined in the Bill, and do not support any move to prescribe the format of shareholders' meetings.

With our shareholder base, a virtual AGM provides an opportunity for broader engagement. Shareholders are able to participate notwithstanding where they are located. CBA supports the evolution of virtual meetings, incorporating the experience gained during the 2020 season, to ensure that they continue to be as effective as possible. CBA also recommends coupling the statutory AGM with less formal and informative ways to engage with retail shareholders outside the traditional AGM at more frequent intervals during the year. For example, regular retail shareholder/customer forums in different locations.

CBA does not support:

1. any move to prescribe hybrid meetings. Hybrid meetings involve increased logistical complexity as physical and online attendees need to be provided with an equal ability to participate, ask questions and vote. This would be difficult for numerous reasons including heightened risk of technology failure and suboptimal experience for shareholders as the virtual meeting would need to be broadcast from a large auditorium to accommodate the number of shareholders attending a physical meeting. There would also be increased complexity of answering questions from the floor, the phone and online, and the difficulty of presenting live questions in a virtual forum. We consider that hybrid meetings are likely to diminish, rather than enhance, shareholders' experience.
2. the proposed amendment to 251A(1) to record questions and comments in the minutes of members' virtual meetings, as this is more stringent than the current requirement for minutes of physical meetings.

We would be pleased to discuss any aspect of our submission.

Thank you for the opportunity to contribute to this important legislative reform.

Yours faithfully



Carmel Mulhern  
Group General Counsel and  
Group Executive Legal & Group Governance



Kara Nicholls  
Group Company Secretary