



26 July 2024

Meetings and Documents review
c/- Better Business Communications Unit
Market Conduct and Digital Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: meetingsanddocumentsreview@treasury.gov.au

Dear Sir / Madam

**Re: Statutory Review of the Meetings and Documents Amendments –
Submission on AGM-Related Matters**

The Australasian Investor Relations Association (AIRA) is pleased to submit this response to the Department of Treasury's Statutory Review of the Meetings and Documents Amendments.

AIRA is the peak body representing investor relations practitioners in Australia and New Zealand. The Association's 160 corporate members now represent over A\$1.2 trillion of market capitalisation, over 80% of the total market capitalisation of companies listed on ASX.

We exist to provide listed entities with a single voice in the public debate on corporate disclosure and to improve the skills and professionalism of members. Our vision and purpose are that investor relations enables and creates sustainable value for all capital market stakeholders by building and strengthening market confidence in listed and unlisted entities.

In line with Treasury's consultation, AIRA provides the following Key Recommendations on behalf of its members.

1. Legislative Support for Virtual-Only Meetings

Given the emerging risks to the conduct of AGMs, including activist disruptions and public health concerns like COVID-19, there should be legislative support for virtual-only meetings when deemed necessary by the company. Currently, this is only possible if explicitly permitted by the company's constitution, which can be challenging to amend due to proxy opposition. Legislative provisions should be introduced to allow virtual-only AGMs without the need for constitutional amendments, ensuring companies can respond swiftly to unforeseen circumstances.

2. Increased Costs Due to Hybrid Meetings

AIRA members have reported significant cost increases associated with running hybrid AGMs. These costs arise from the need to facilitate both physical and virtual components, including online and telephone access. Moreover, contingency planning to address potential risks, such as COVID-19 outbreaks or activist disruptions, adds to the financial burden. The review should consider ways to alleviate these costs, potentially through regulatory relief or financial support mechanisms.

3. Removal of the Phone Line Requirement

The current requirement that shareholders must be able to 'speak into the meeting' via a phone line if virtual technology is used is outdated and impractical. In practice, few shareholders utilise this feature, and it imposes unnecessary costs and logistical complexities on companies. We propose that this requirement be removed, allowing companies to choose more efficient and cost-effective methods for shareholder participation, such as online Q&A platforms.

4. Completion of AGM Business Amid Disruptions

We recommend legislation that enables companies to complete the business of AGMs should they be interrupted by activism or security threats. This could involve utilising proxy votes submitted prior to the meeting to pass resolutions, ensuring that the meeting's business can be concluded without physical attendance if necessary.

5. Broader Review of AGM Functionality

AIRA supports a broader review of the current utility and functioning of AGMs for shareholders. Participation is declining, with many AGMs now dominated by activists or single-issue advocates rather than serving their intended purpose of facilitating meaningful engagement between shareholders and company management. Consideration should be given to allowing purely online AGMs on a permanent basis, as is the practice in other jurisdictions, to enhance shareholder experience and engagement.

Conclusion

AIRA believes these recommendations will improve the efficiency, effectiveness, and relevance of AGMs, ensuring they serve their intended purpose while adapting to modern challenges and technological advancements.

Please do not hesitate to contact me on [REDACTED] if you would like to discuss this submission further or require any further information.

Yours sincerely



Ian Matheson
Chief Executive Officer