

Senate Standing Committees on Economics  
Economics Legislations Committee  
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Dear Committee Members,

I would like to make a submission on the draft legislation that would make permanent changes to the *Corporations Act 2001* in relation to virtual meetings and electronic document execution. This submission will cover:

- Examples of companies taking advantage of virtual meetings to restrict shareholder interaction
- Expected safeguards if any changes to the *Corporations Act 2001* are made
- Why these safeguards are necessary

Over the last two years shareholders have seen multiple examples of companies failing to allow adequate opportunities for shareholders to ask questions at annual general meetings, even when audio questions via a phone line were ostensibly permitted.

At the Macquarie Group and Origin Energy annual general meetings this year, both companies ignored questions from First Nations people who were waiting on the phone line. At the 2021 Santos annual general meeting, the company ignored questions from shareholders, saying there were none remaining on the phone line. At the Whitehaven meeting some shareholder questions were ignored and again the company said there were no more shareholders wanting to ask questions when this was not the case. These examples demonstrate companies' ability to deny shareholders' rights when conducting virtual-only meetings.

Research has found that only 36 percent of questions posed by shareholders at virtual meetings in the USA were actually addressed by companies. "What this is telling us is that not having physically present people leads to less information being communicated," said Miriam Schwartz-Ziv, a lecturer at the School of Business Administration at the Hebrew University of Jerusalem and the author of the study, titled 'How shifting from in-person to virtual-only shareholder meetings affects shareholders' voice'. Schwartz-Ziv's research tracked the questions of two active shareholders, who attended 88 AGMs and submitted questions at each. Half of the companies did not answer any questions posed by these shareholders. Australian annual general meetings held virtually over the last two years have followed similar trends, with companies able to ignore and avoid questions in a way that is not possible if shareholders attend in person.

As a shareholder I would like to see a hybrid approach where shareholders have the option to participate in AGMs and ask questions both in person and online. Companies should not have

the option to provide virtual-only meetings, even if this would be permitted by their constitution. Virtual-only meetings have enabled companies to ignore and/or avoid properly addressing questions, including those of people waiting on the telephone line.

Annual general meetings are rare opportunities shareholders get to directly engage with their board.

Any proposed legislative change must take this into account and ensure shareholders' rights to open and transparent engagement with directors at AGMs is safeguarded. This can be done by ensuring all annual general meetings provide the opportunity for shareholders and proxies to attend both virtually and physically.

Thank you for your consideration of my submission.

