

Virtual AGM handbook

Key considerations
for planning an
online meeting



The way we communicate is becoming increasingly digital and as the millennial generation moves to the fore in the global economy, we are seeing a greater adoption of, and reliance on digital communication.

That, coupled with the steady decline in shareholder attendance at AGMs and the prevalence of digital voting channels, means it's no surprise that interest in online AGMs from both listed and non-listed organisations is growing.

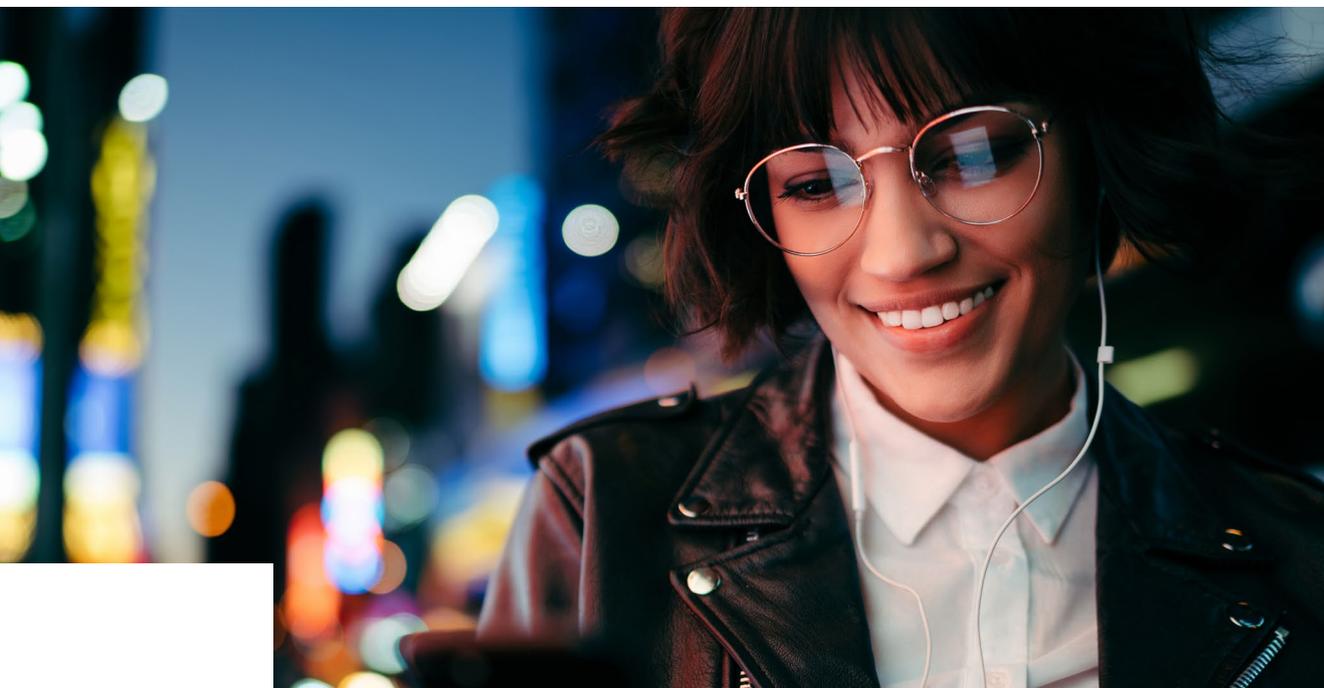
When COVID-19 started to take a strong hold in Australia in early 2020, AGMs were thrust into the spotlight. Many organisations had to quickly adapt and develop contingency plans.

An important opportunity for investor engagement, and a legal requirement for many organisations, AGMs continue to play a vital role in the Australian corporate landscape.

On 5 May 2020, the Treasurer announced that organisations would be allowed to convene AGMs and other meetings prescribed under the Corporations Act entirely online, rather than face-to-face.

The changes, which will remain in place until and including 5 November 2020, were designed to provide organisations and boards with greater certainty that they could meet their obligations under the Act during the coronavirus crisis.

This handbook is designed to give organisations a helping hand by providing the key information to consider when planning an online AGM.



Virtual or hybrid?

Online meetings provide several benefits for organisations. One of the most obvious issues that technology can address is the decline in shareholder engagement.

Online meetings can assist companies in modernising the shareholder experience by facilitating online Q&A and digital voting.



What is a hybrid meeting?

A **hybrid meeting** is a crossover between a physical and virtual meeting, which allows stakeholders to choose between attending at the meeting's physical location, or being involved online.

What is a virtual meeting?

A **virtual meeting** sees all attendees join the meeting via an online platform that allows them to ask questions, vote and participate electronically as they would do at a physical meeting.

Do you have to provide a physical venue for the meeting?

If you determine you don't need to offer a physical venue for your meeting, then a virtual meeting could be the right option for your organisation. If you do need to provide a physical venue, then a hybrid meeting would be required.

Do you have directors in multiple jurisdictions?

Virtual meetings allow stakeholders from across the globe to easily take part without having to leave their home or office.

What are the benefits of online meetings?

Everyone can attend

Online meetings allow shareholders who are in lockdown, sick or otherwise unable to attend a physical venue, to attend your meeting, vote and ask questions



Everyone can speak

While physical meetings tend to favour the more vocal shareholders, a hybrid meeting can allow everyone to have a voice through moderated question time, either via an app, or teleconferencing. When logging in, attendees are either verified as shareholders or admitted as guests



Environmentally friendly

Organisations can look to reduce their carbon footprint and reduce meeting costs by not having to hire such a large venue and catering, and by reducing the amount of printing required such as poll cards and other documents



Save time and increase certainty

Having votes processed electronically not only saves time by providing results instantly, but it also increases certainty and is considered to be good governance



Technology

Reliable, proven technology is the key component that will determine the overall success of your meeting.

Your meeting partner should provide a robust, secure platform that will put your mind at ease, come AGM time.

Your technology should address the following factors:

Provision of secure login and shareholder authentication, with ease of access for shareholders, and remote voting capabilities



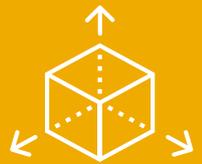
Combined registration, voting and reporting software to ensure a seamless user experience for both admin staff and shareholders



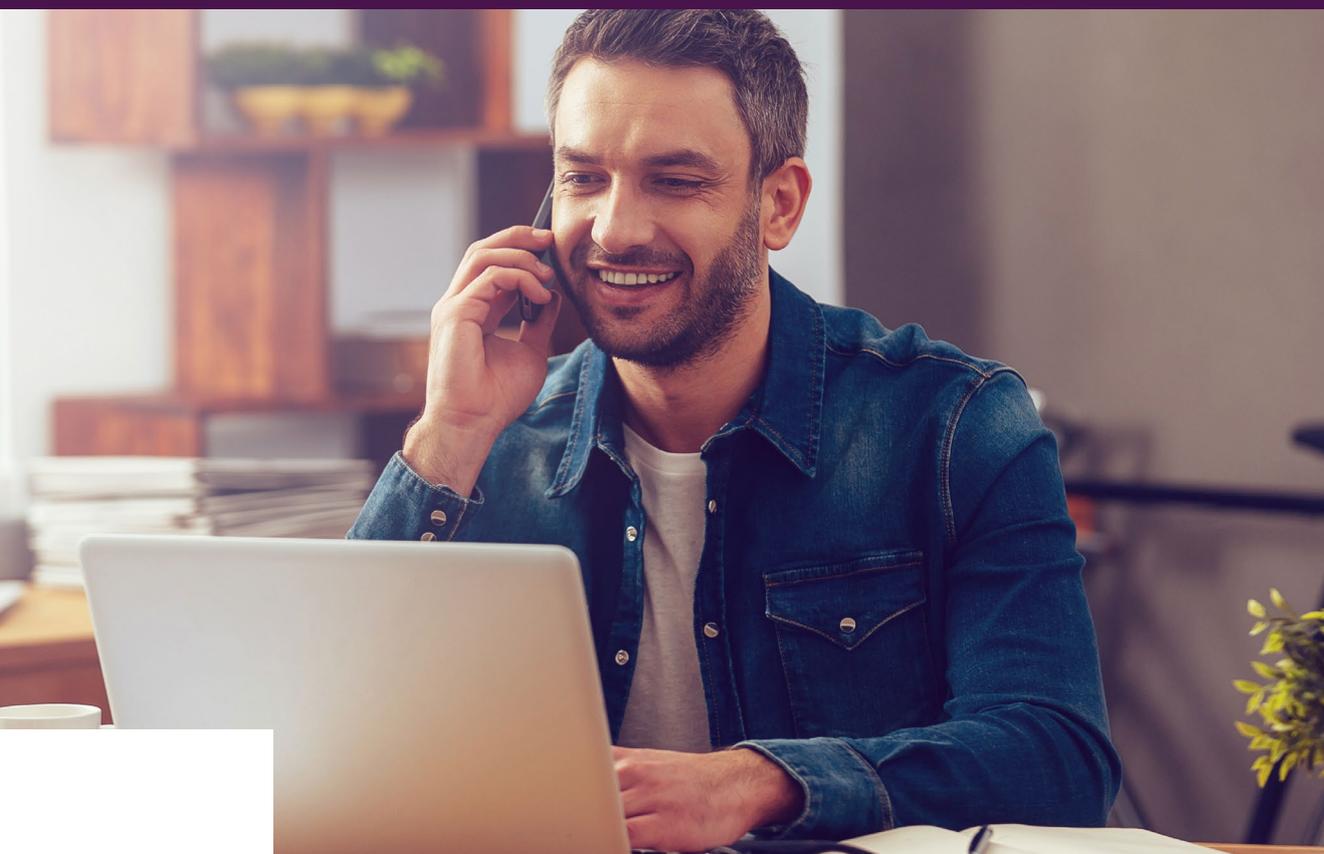
Device-neutral, adaptable to the shareholder's choice of device, to maximize participation and increase engagement



Use of adaptive streaming to seamlessly transition between stream quality without interrupted playback or buffering



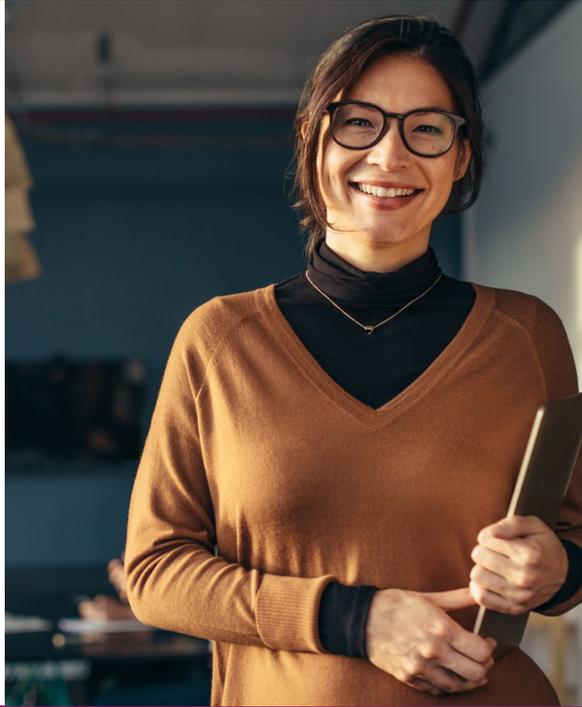
Security, scalability and redundancy as core design features



Preparing your board

Your directors are the face of the company at your AGM.

So, it stands to reason that they must be prepared to handle any situation that arises. It is integral that your directors, regardless of where they are located, are all on the same page in the lead up to, and on the day of, your AGM.



Some of the ways you can prepare your board include:



Work with them to develop a script for the event, to ensure everyone is on the same page



Rehearse at least once prior to the event. Practice with everyone dialling in and using the technology, as they would on the day. Ensure they are comfortable and familiar with the online environment and process



Have individual conversations with your board members to ensure any and all of their questions and concerns are answered, and to reaffirm the importance of them sticking to the script throughout the event

Some companies are choosing to have their chairman pre-record the opening address, so it can be delivered seamlessly on the day. This helps to mitigate risks associated with poor audio quality and can help improve the shareholder experience.

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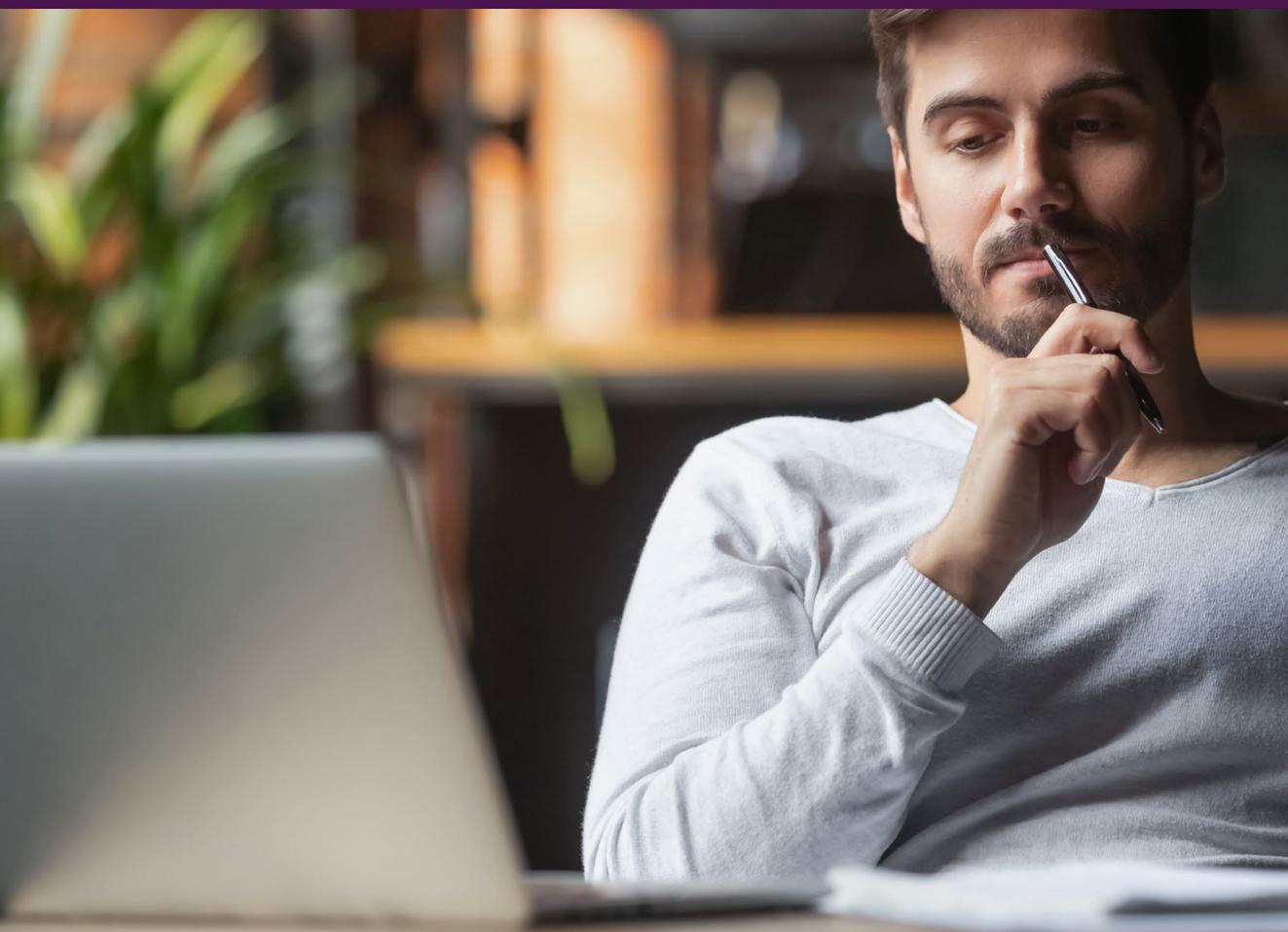
Investor engagement and communications

Just as the arrangements for physical meetings can vary based on the needs of the company and their shareholders, there is no “one size fits all” approach to online meetings.

The considerations raised here are therefore intended not to be prescriptive, but instead to prompt discussion on appropriate guidelines.

We recommend the use of video rather than audio-only as best practice for hybrid meetings. For companies conducting hybrid meetings, use of video will better replicate the in-person experience for remote participants.

However, when holding a fully virtual meeting, audio-only mode, used in conjunction with presentation slides can provide a fantastic user experience and still look professional.



Question time is an important part of your AGM, which allows your shareholders to engage with the board and hold them accountable.

In accordance with guiding principles provided by ASIC, all shareholders at a hybrid or virtual meeting are to be given the opportunity to participate in the meeting, as if a physical meeting was being held.

While we have seen some instances of companies not allowing questions at their AGMs so far during 2020, the majority of companies are giving their shareholders a voice, either through a meeting app, via teleconferencing or both.

The best shareholder experience occurs when a company allows its shareholders to ask questions in written format online, as well as the opportunity to verbally ask questions via teleconferencing.

We have seen several companies use phone lines to facilitate and encourage shareholder engagement and offering the right of reply, despite the potential drawbacks of teleconferencing when used in conjunction with webcasting.

It is worth noting that shareholder validation is more difficult over the phone line. So, if it is important for your company to know that only shareholders are asking questions, then teleconferencing may not be the right option for you.

To build investor confidence in the question process, an independent moderator such as your company secretary or a legal secretary, can manage questions in accordance with the protocols.



Your Q&A – Points to consider



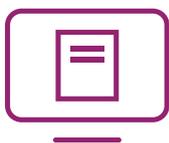
Share all questions

The moderator can use the tools to concatenate similar questions into one so that the chairman does not need to answer the same question multiple times. Where the moderator does this we suggest that the chairman acknowledge that the one question is from multiple shareholders.



Explain any inability to answer

Companies retain the right to not answer questions that are considered inappropriate based on content. The chairman could simply acknowledge receipt of the question but indicate that it will not be answered in the AGM as it does not pertain to the items of business, but the company will respond directly to the holder after the meeting.



Commit to responding to all questions

Where time does not permit a response or acknowledgement of all questions during the meeting, companies should make use of the platform to provide responses online after completion of the meeting.



Use a poll

Voting must be conducted by poll for virtual meetings and is also strongly advised for hybrid meetings.

Shareholder proposals

The presentation of shareholder proposals also needs to be considered, and appropriate technology must be used to support them.

The company should engage with the shareholder(s) who submitted the proposal prior to the meeting, to discuss the proposal and to agree on the approach for presentation.

Options include:

Providing a dedicated call-in number for the presentation of shareholder proposals. This allows shareholders a right of reply



Appointing a company representative to read out the shareholder proposal



Permitting the shareholder to provide a recorded voice file well in advance, that can be played during the meeting



Allowing the shareholder proposal to be presented by video, (if your meeting supports that format)



On 5 May 2020, the government released temporary modifications to the Corporations Act, outlining that all voting at online AGMs should be conducted by a poll rather than a show of hands.

The determination seems to also suggest that deciding resolutions with votes received as at proxy close is not a recommended approach. For example, how are the open votes given to a third-party proxy to be voted, if they haven't been given a chance to cast their votes?

Deciding resolution results with final proxy positions presents the potential risk of not proving an accurate resolution result. In addition, it could disenfranchise shareholders who normally attend meetings to hear the discussion/debate on the resolutions before deciding on how to vote.

While there are many options available to companies when it comes to conducting voting during online meetings, the single most important aspect to consider is security.

Offering live voting is an excellent way to ensure your votes are secure. By opening voting lines at the beginning of the meeting you give your shareholders adequate time to submit their votes and potentially change their vote throughout the course of the meeting.

Companies should consult their constitution and legal advisers to make sure the option they choose is the right one for them.

It is advisable for the Chairman to pause when asking for questions and before closing the poll, as some users might be experiencing lag due to their own IT set-up. The pause will enable shareholders to write out a question or to cast their vote prior to the poll closing.

Alternatively, the Chairman may open voting for all resolutions at the beginning of the meeting to allow sufficient time for shareholders to cast their vote.



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The escalation of COVID-19 has brought online AGMs to the fore in Australia, and many companies are now building these into their planning.

There are many important points to consider in preparing for your first online AGM:

- › Make things simple for your shareholders by ensuring your technology offers them a seamless experience.
- › Pay special attention to your Q&A – seek genuine engagement with your shareholders and ensure you are well prepared for any questions that may arise.
- › Prepare your executives for success by equipping them with scripts and making time for them to rehearse and practice using the meeting technology.

The Australian government has made significant headway toward more formal AGM reforms, introducing transitional arrangements that have helped to modernise shareholder interaction and provide companies with an alternative to physical AGMs during this time of uncertainty.

However, there is still some ambiguity around the way forward after the COVID-19 transition arrangements conclude on 5 November 2020.

Given the relative success many companies have experienced with online meetings during the pandemic, it will be interesting to see what measures the government takes to bring AGMs into the digital age on a more permanent basis.

For many of our clients, embarking on their first online AGM is uncharted territory. Our aim is to guide and support our clients in all aspects of planning and execution.

Using our depth of knowledge and expertise, in conjunction with tried and tested technology, we've successfully delivered more than 500 hybrid and virtual meetings globally in 2020, with many more to come.



About Computershare Investor Services

Computershare Investor Services encompasses a broad portfolio of products and services that cover an extensive range of financial markets across every major region. Our experienced team of meeting specialists are on hand to guide you and your company through even the most complex AGM.

For more information, visit www.computershare.com/au/virtualmeetings

The content of this report is intended to provide a general overview of the relevant subject matter and does not constitute legal advice. It is important that you seek independent legal advice on all matters relating to your AGM, compliance with the ASX Listing Rules and other applicable legal and regulatory requirements.

Unless stated otherwise, the content of this report is based on data relating to Computershare's ASX listed issuer clients and does not relate to all ASX listed issuers.

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