

AGM SNAPSHOT 2021



ANALYSIS OF THE
2020 MEETING SEASON

CONTENTS

| | |
|---------------------------------|----|
| In this edition | 3 |
| Virtual Meetings | 4 |
| Member Meetings | 8 |
| 2020 AGM Statistics | 9 |
| 2020 Meeting Season Statistics | 12 |
| AGM Season Wrap | 18 |
| Technology | 28 |
| The International AGM Landscape | 30 |
| National Venue List | 36 |

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IN THIS EDITION

Welcome to the seventh edition of the Link Group AGM Snapshot. Connecting people to their assets is core to our business at Link Group. In this edition of our AGM Snapshot, we share the experience of a wide range of stakeholders on managing meetings during a pandemic – with views on corporate governance, activism, ESG, and the key statistics that shaped last year’s meetings.

On 20 March 2020, in response to the challenge of conducting meetings during a pandemic, ASIC issued guidelines to support companies with upcoming AGMs. Subsequently on 6 May 2020, temporary modifications to the Corporations Act 2001 came into effect, enabling companies to hold meetings using virtual technology.

The virtual format enabled companies to provide a safe environment to conduct their meetings. In this edition we observed some fascinating trends during the 2020 season. These changes have challenged traditional thinking on how to manage shareholder meetings. The adoption of electronic communications and new technologies for holding meetings, has been positively received by shareholders, company directors and other industry stakeholders.

In 2021, Link Group expects broad support for a more permanent set of reforms for virtual meetings and the electronic delivery of investor communications.

We hope you enjoy the insights from our Meetings Services team at Link Group.

Lysa McKenna

Co-CEO Corporate Markets,
Link Group



In 2020 Link Group supported our clients to meet their regulatory obligations during the COVID-19 pandemic with our proprietary virtual meeting technology, holding fully online and hybrid AGMs for 640 clients globally. We supported 3 clients whose AGMs were ranked in the 10 Best AGMs of 2020.

VIRTUAL MEETINGS

The Virtual AGM Landscape in 2020

Link Group managed a total of **393 virtual meetings in Australia in 2020**, making it the busiest season on record for our clients and our teams. These included annual general meetings, scheme and extraordinary meetings, annual member meetings and employee town halls. Globally we hosted meetings for clients in the UAE and Papua New Guinea with each jurisdiction providing different challenges for the team.

Over **35,000 people from across the world attended these meetings. Over 7,000 of these were voting holders or members** who were able to vote and ask questions, with **more than 1,300 questions received virtually.**

Long-standing Link Group client, Coca-Cola Amatil Limited (Amatil) hosted their 116th Annual General Meeting (AGM) in May – their first fully virtual AGM – using Link Group’s virtual meeting technology. **Amatil’s AGM was the largest virtual meeting in Australasia during the April/May meeting season with 828 attendees** joining and participating online from around the world.

Amatil who has historically hosted their AGM as a physical meeting, was in the same position as a lot of other companies, in need of an alternative solution when it was time to plan their AGM. With the ever-changing conditions during COVID-19, Amatil opted to host their 2020 AGM as a fully virtual meeting for the first time to meet their obligations.

Following this, the Westpac AGM in December saw the highest attendance for a virtual meeting in Australia in 2020 with 1,264 participating in the meeting via the online AGM platform and teleconference line.

Clients had to remain flexible and, in many cases, have plan B and plan C in place to cope with rapidly changing health advice and travel restrictions. Overseas board members were able to participate in the meetings remotely via video or audio streams, ensuring full participation in their AGM. Auditors also had the opportunity to join the AGMs online.

Key take outs:

- Engage with Link Group early on to discuss your meeting format – physical, hybrid or virtual and make sure you have at least a Plan A and B.
- Brief your board on the format of the meeting and their role.
- For speakers participating remotely, test audio or video lines thoroughly – preferably around the same time of day as your meeting, so internet connectivity is similar.
- Rehearsals are important! This is an opportunity to run through the format of the meeting, to familiarise board directors with the technology and script as well as make changes so things run smoothly on the day.
- Provide Link Group with all details as requested on the ‘Request for Information’ form as soon as possible so we can book in your event.
- Ensure engagement with shareholders, clarity around remuneration, clear targets, performance metrics and ESG metrics.

As we move further into 2021, it seems the challenges of 2020 will remain with us for some time. We look forward to working with you on your meetings, whatever shape they come in and commit to remaining flexible with any changes that come our way.

Virtual Meeting Case Studies

Xero Limited Virtual Annual Meeting

Cloud-based accounting software provider Xero Limited (ASX: XRO) held their first fully virtual Annual Meeting on 13 August 2020, using Link Group's proprietary virtual meeting technology. Xero, an ASX Top 100 company, has utilised our hybrid meeting technology for their Annual Meetings since 2016.

In response to ongoing global health concerns and rapidly changing travel restrictions, the meeting was primarily hosted from Xero's offices in Sydney, Australia and Wellington, New Zealand, with directors and CEO in attendance observing social distancing measures. Fellow Xero Board members located in Auckland, Melbourne and London joined the meeting via video conference.

This Xero virtual Annual Meeting reached a new participation record at the time, with 968 attendees taking part, including 32 voting shareholders, 149 general visitors and over 770 Xero employees attending from their offices and homes all over the world.

There were also 21 Link Group and Orient Capital staff involved.

8 questions were received from online attendees who were able to type their questions in real-time, moderated by Xero staff and then read aloud during question time to the online audience by a Xero representative. Live closed captions provided for hearing impaired shareholders.

The Chair of the meeting was able to answer questions and also direct questions to the appropriate board members for immediate response to the shareholders.

Representatives from both the Australian Shareholders' Association and the New Zealand Shareholders' Association were online during the event.

To ensure a successful meeting, Link Group conducted a fully remote video conference test one week prior to the meeting. This proved vital as New Zealand's COVID-19 restrictions implemented on 11 August meant that two Auckland directors were unable to fly into Wellington as originally planned and instead joined via video conference from their homes.

A full rehearsal was held the day before the meeting with directors on site in Wellington and Sydney, as well as directors joining via video conference. The outcome was a very successful meeting; Xero was very happy with the meeting and result.

Regeneus Virtual AGM

Regeneus (ASX: RGS) held their Annual General Meeting (AGM) on Wednesday 14th October 2020, with the Notice of Meeting released on 11 September, with COVID-19 in full swing.

Due to the ongoing pandemic, social distancing requirements, and in the interests of health and safety of shareholders, directors and staff, the meeting was held virtually. The virtual meeting was held at Regeneus' Head Office where the Chairman presented onsite, with the international CEO presenting from overseas. Regeneus has overseas directors from all over the globe, who were also able to participate in the virtual meeting.

Shareholders and proxyholders were provided with registration instructions via an online guide to securely connect, vote on resolutions and ask questions during the meeting, which worked seamlessly.

The meeting was facilitated by Link Group's professional, efficient and experienced team who provided dedicated support of the meeting, on-hand technicians and a live audio presentation operator, who ensured a secure and very successful meeting.

"The Link Group team provided a very smooth and efficient process with numerous rehearsals prior to the AGM both before and on the day, which put our Board's mind at ease. The Board was extremely pleased with the result and will certainly consider holding future meetings virtually, as it allows much more participation for our international and interstate shareholders and stakeholders."

The feedback from attendees was that the meeting worked flawlessly, and it was fantastic to offer inclusiveness to our shareholders and stakeholders to the meeting.



Link Group managed **393** virtual meetings in 2020. **225** of these were AGMs for listed entities.

Number of Virtual Meetings

Link Group managed 393 virtual meetings in 2020. 225 of these were AGMs for listed entities.

| 2020 | |
|--------------------|------------|
| All Clients | 225 |
| S&P/ASX 100 | 38 |
| S&P/ASX 200 | 32 |
| S&P/ASX 201+ | 155 |

Average Questions Asked in Virtual Meetings

One of the main questions asked by clients before their virtual meeting was how many questions they could expect. On average, across all indices, there were 5 questions. The S&P/ASX 100 had an average of 16 questions. This group had a lot of questions from organisations including the Bank Warriors.

The Australian Shareholder's Association (ASA) was sent login details as well as their reports for each meeting where they were nominated as a proxy. Once logged in, the ASA lodged their questions via the virtual meeting portal. Some representatives of the ASA had also opted to forward their questions to the companies in advance.

| 2020 | |
|--------------------|----------|
| All Clients | 5 |
| S&P/ASX 100 | 16 |
| S&P/ASX 200 | 4 |
| S&P/ASX 201+ | 3 |

Virtual Meeting Attendance

The statistics highlighted an increase in engagement and the ability to participate in meetings irrespective of the attendees location.

While shareholder numbers were down, we saw a high volume of employees log in for many of their own AGMs.

Meeting Attendance (Annual General Meetings only)

| | | |
|--|-----------------------|-------|
| S&P/ASX 100 Highest Attendance | Westpac AGM | 1,264 |
| S&P/ASX 101 – 200 Highest Attendance | Mesoblast Limited | 596 |
| S&P/ASX 201+ Highest Attendance | Myer Holdings Limited | 382 |

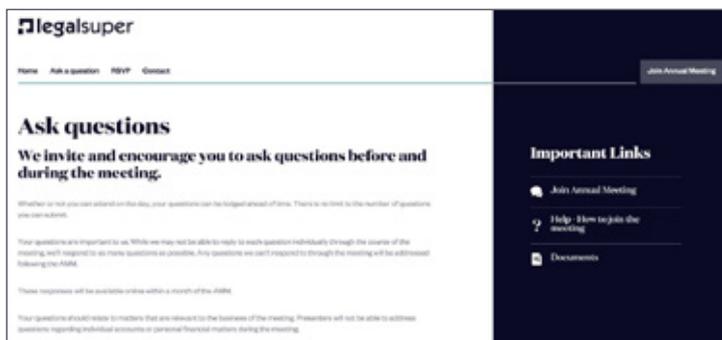
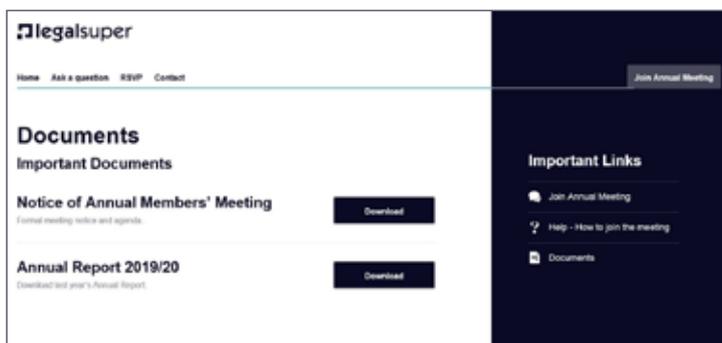
VIRTUAL MEETING CHECKLIST

- Engage Link Group for an initial discussion on the type of meeting to be held:
 - Fully virtual or hybrid meeting (physical attendance and online).
 - Video webcast or an audio and synchronised slides webcast.
 - Do you need video conferencing for your directors to connect – if so, how many locations and where (Australia or international).
 - Do you need a transcript of your meeting?
 - Consider if your speakers require autocue (for video events).
 - Consider information required for the plan B in these discussions in case of changes to health and travel guidelines.
- Prepare the Notice of Meeting information including:
 - Links to the online platform;
 - Login requirements, and;
 - When your online platform will open for the meeting.
- Engage us to design your proxy/voting form (this should include details for voting online and proxyholder contacts).
- Work with us to design your Online Platform Guide.
- Capture AGM questions from shareholders prior to the meeting (if you do not already) with a question form sent out with the proxy/voting form – utilising our online question functionality. This provides an opportunity to consider recurring questions, issues or themes and ensures responses are carefully considered and if necessary, discussed with the chairman.
- Provide us with your style guide and colour logos to set up the virtual meeting site. Screenshots from this can be used in your Online Platform Guide.
- Review and customise (if required) the T&Cs on the online platform (seeking your own legal advice as necessary).
- Consider whether any other documents/guidelines should be prepared, for example direct voting regulations and/or meeting principles/procedures and whether these documents should be available on your website before the meeting.
- Complete the Request for Information Form (RFI) sent to you by your Client Relationship Manager and return to Link Group with high quality images of your presenters.
- Send a broadcast email the day before the meeting to remind shareholders of the upcoming event.
- Arrange webcast (or audiocast) requirements with us.
- Determine your moderator for fielding online questions and forwarding to the chairperson. Moderators should rehearse before the meeting and provide a reasonable opportunity for shareholders to ask questions or make comments. (N.B. Moderators will be trained by our staff prior to your AGM and a Link Group staff member will accompany them throughout your meeting).
- Consider whether to provide a Q&A document for upload to the online platform (from holders' questions received before the meeting – optional).
- Book a run through with the moderator and chairperson (if required) so they understand the online question process. This should preferably be performed at the same location where the meeting will take place and using the same technology and devices. There are some processes the chairperson should be familiar with before the meeting, which are different to a physical meeting.
- Arrange a test or rehearsal (we recommend that this should be the week prior to the meeting date).
- Provide final presentation slides and chairperson's script to Link Group.

MEMBER MEETINGS

AMM requirements

In 2019 the Treasury Laws Amendment Bill 2019 set out requirements for superannuation funds to run Annual Member Meetings (AMM)s.



- 21 days' notice
- AMM must be held within 3 months of notice
- Notice must be given within 6 months of entity's income year
- AMM must be held within 9 months after the end of entity's income year
- Notice can be given electronically
- AMM can be held virtually
- Members must have reasonable opportunity to ask questions
- AMM minutes must be made available on Fund website

Many of these organisations were set to run their first AMM in 2020 but like many others had to provide a safe way to run these meetings with heightened health restrictions whilst allowing 'real' interaction and with responsive Q&A functionality.

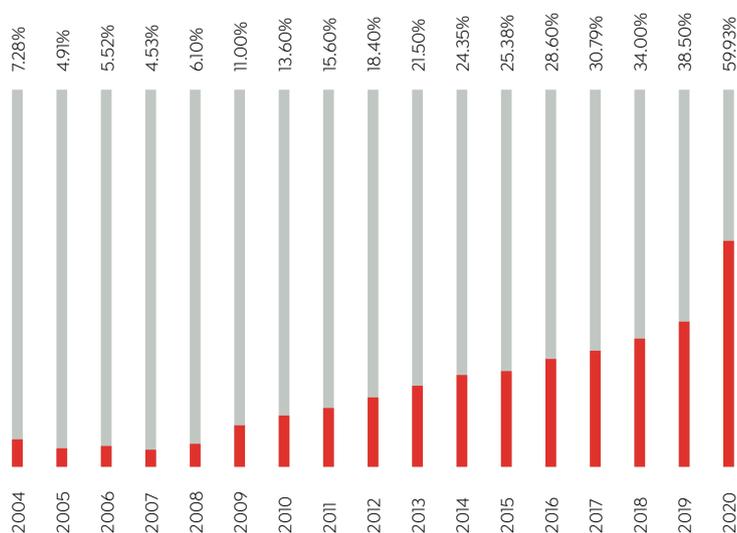
Link Group was able to utilise our proprietary virtual meeting technology to help superannuation funds connect with their members.

We set up customised microsites for each of these meetings so we could collect RSVPs and communicate relevant AMM information to the members.

We had several superannuation funds utilise these services in 2020 including The Association of Superannuation Funds of Australia, Qantas Super, Prime Super, Legal Super and Statewide Super. The virtual meeting platform allowed for key stakeholders to attend these AMMs with attendance levels ranging from 21 to 261 members.

Similarly, Legal Super utilised our virtual meeting, member communications and microsite services as well as our company secretarial service and online member survey to collect member feedback post meeting.

2020 AGM STATISTICS



Online Voting – Volumes

Percentage of proxies received since 2004

Since its inception, online voting volumes increased steadily each year but have never outperformed paper votes. However in 2020 we saw a change with online votes exceeding paper votes for the first time.

This was largely due to the temporary relief provided by the government for electronic document execution where some companies did not send a hard copy proxy form to their holders. The S&P/ASX 100 recorded the biggest jump in online votes (29.08%).

Total Online Votes

Percentage of online votes received by S&P/ASX category



Electronic Communication

Percentage of holders who received AGM documents via email and post

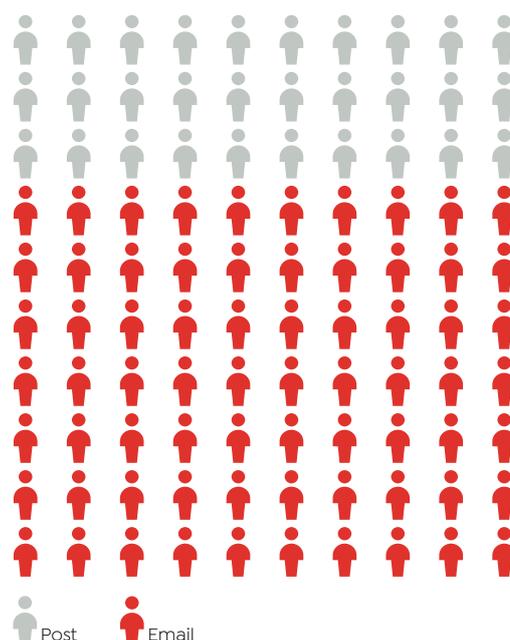
Due to the temporary relief provided by the government for electronic document execution, holders receiving electronic communication of AGM documents increased 16.68% from 2019.

The previous increase between 2018 and 2019 was only 1.14%.

However this varied across indices as it was primarily the issuers in the S&P/ASX 100 with large holder numbers that took advantage of the communication relief. In the S&P/ASX 200+ 53.69% of holders were mailed AGM documents.

The increase is due mainly to issuers in the S&P/ASX 100 where only 21.31% received their AGM documents via post.

Percentage of votes received online vs the number of holders emailed AGM documents – 2.27%

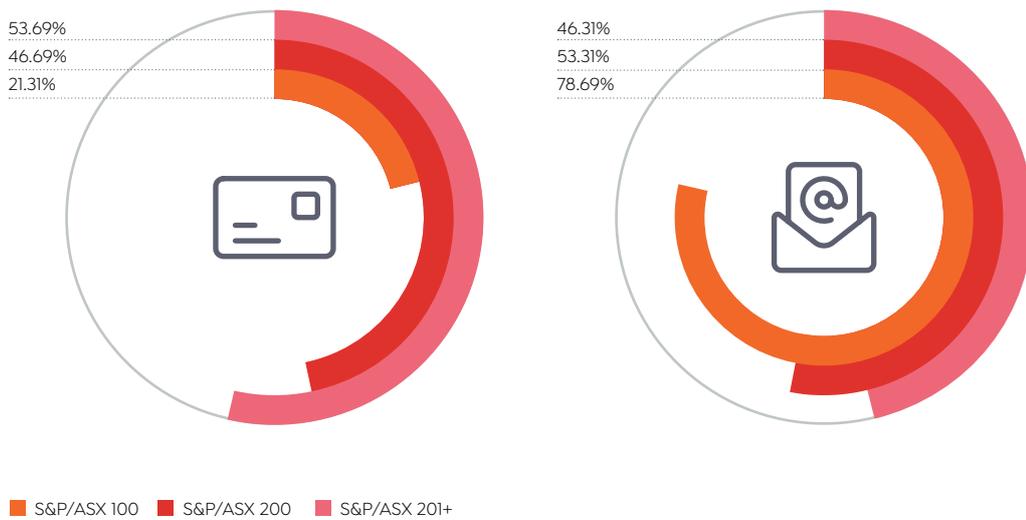


| | 2020 | 2019 |
|-------------------------------|--------|--------|
| Percentage of holders posted | 30.13% | 46.81% |
| Percentage of holders emailed | 69.87% | 53.19% |

Note: All statistics are based on Link Group clients

In 2020 we saw a change with online votes exceeding paper votes for the first time.

A breakdown of communication channels by index

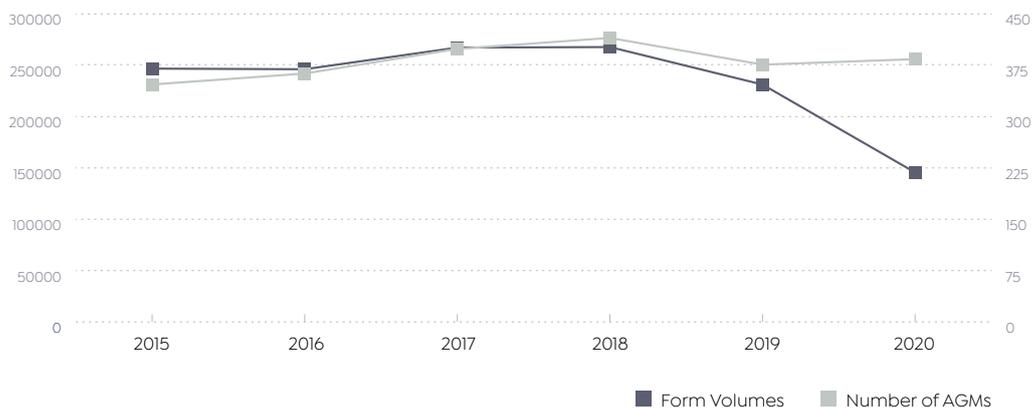


Form Volumes (Online & Paper) & Number of AGMs Held

The average return for proxy forms in 2020 across all indices was 2.64%, down from 3.87% in 2019. Proxy form return has been low for a number of years and with a number of larger issuers not sending hardcopy forms, this impacted volumes in the second half of 2020.

The return rate in the first half of 2020 was 4.07%. This was before the temporary relief provided by the government for electronic document execution.

The rate fell to 2.54% for AGMs held in the second half of 2020.





Voting

The total number of holders lodging a vote remains low across all indices with the S&P/ASX 100 having the lowest return rate of 2.05%. This is expected with this group taking the most advantage of the temporary relief for electronic document execution.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------|-------|-------|-------|-------|-------|
| All Clients | 2.64% | 3.87% | 3.57% | 3.94% | 4.01% |
| S&P/ASX 100 | 2.05% | 3.57% | 3.60% | 3.91% | 3.78% |
| S&P/ASX 200 | 4.49% | 5.60% | 2.99% | 4.80% | 4.91% |
| S&P/ASX 201+ | 3.90% | 4.59% | 3.74% | 3.77% | 4.61% |

Direct Voting

41 clients offered direct voting in 2020, up from 17 in 2019. Clients who had allowed for direct voting in their constitution and had not used it in the past, introduced it as a result of holding a virtual meeting.

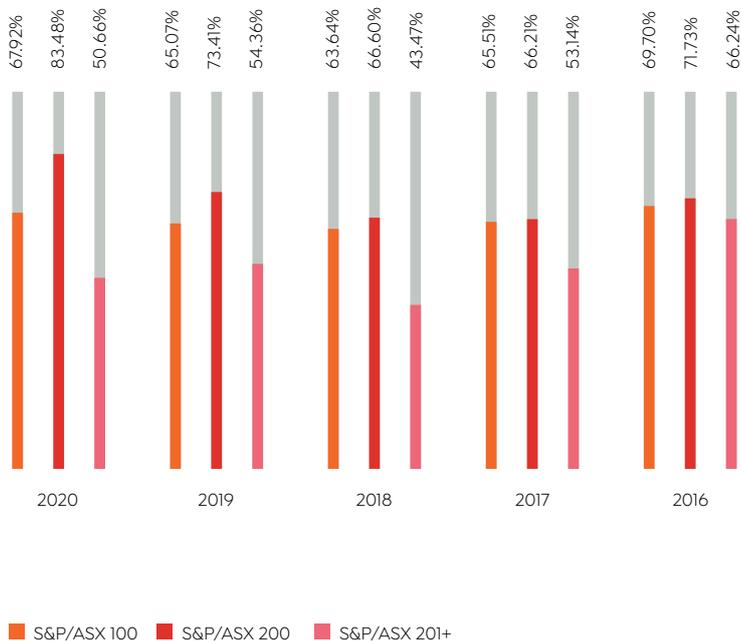
The number of holders electing direct voting as an option this year was up from 38.99% in 2019 to 51.18% in 2020. However, the total issued capital voted using direct voting was down from 19.32% in 2019 to 8.38% in 2020.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------|------|------|------|------|------|
| S&P/ASX 100 | 12 | 10 | 12 | 8 | 8 |
| S&P/ASX 200 | 8 | 2 | 1 | 1 | 3 |
| S&P/ASX 201+ | 21 | 5 | 6 | 8 | 5 |

Issued Capital Voted

Percentage of Voting Issued Capital

Issued capital voted was higher in both the S&P/ASX 100 & 200 indices in 2020 with the S&P/ASX 200 returning the biggest increase of 10.07%.



2020 MEETING SEASON STATISTICS

Conduct of Polls

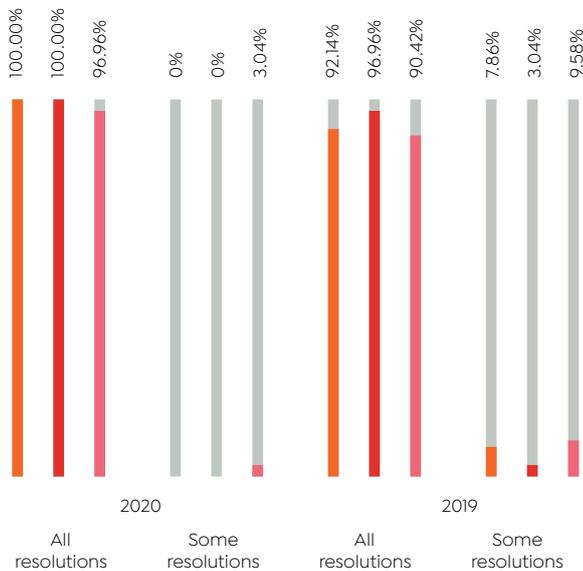


As a result of the 225 virtual AGMs held for listed entities, polling was high across all indices – 100% in the S&P/ASX 100 & 200 and 97.66% in the S&P/ASX 201+



Total Polling

All Link Group clients in the S&P/ASX 100 held a virtual meeting in 2020 and as a result of this, all resolutions were put to a poll at each of these meetings.



■ S&P/ASX 100
 ■ S&P/ASX 200
 ■ S&P/ASX 201+



AGM Shareholder Attendance

Percentage of shareholders attending AGMs

Not surprisingly, with the pandemic and the large number of virtual AGMs, physical AGM attendance was only 0.08% of holders across all indices and across both physical and virtual meetings. Down from 0.19% in 2019.

| 2020 | 2019 | 2018 | 2017 | 2016 |
|-------|-------|-------|-------|-------|
| 0.08% | 0.19% | 0.17% | 0.18% | 0.17% |

Meeting Attendance

The pandemic impacted the ability to hold a physical AGM so the majority of AGMs in 2020 were held virtually. This impacted the number of holders in physical attendance.



Visitors outnumbered holders for a few reasons, including employees logging into their company AGM. A number of holders also logged in to view the AGM but did not register for a voting card.

November continues to be the busiest month with the majority of AGMs held at this time in conjunction with other client driven corporate activities.



Meeting Duration

The majority of meetings lasted between 1/2 hour and 1 1/2 hours compared to between 1 and 2 hours in 2019. Virtual meetings tend to take less time on average than a physical meeting which resulted in lower duration times.

| | 2020 | | |
|---------------------|-------------|-------------|--------------|
| | S&P/ASX 100 | S&P/ASX 200 | S&P/ASX 201+ |
| Up to 30 minutes | 0.00% | 0.00% | 11.86% |
| 30 minutes – 1 hour | 18.42% | 51.22% | 45.34% |
| 1 – 1.5 hours | 57.89% | 39.02% | 35.59% |
| 1.5 – 2 hours | 13.16% | 7.32% | 5.08% |
| 2 – 2.5 hours | 7.89% | 2.44% | 1.69% |
| 2.5 – 3 hours | 2.63% | 0.00% | 0.42% |
| 3+ hours | 0.00% | 0.00% | 0.00% |



Months in which meetings and ballots were held

In addition to AGMs, Link Group facilitated scheme meetings, extraordinary meetings, ballots, creditor meetings and more. In 2020 we facilitated 771 meetings, an increase of 80 from 2019.

This was partly due to several organisations approaching us to run a virtual meeting for them due to COVID-19 restrictions as well as new requirements for superannuation funds to run an annual meeting.

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------|------------|------------|------------|------------|------------|
| January | 11 | 10 | 17 | 1 | 10 |
| February | 15 | 26 | 18 | 11 | 13 |
| March | 16 | 13 | 15 | 16 | 12 |
| April | 24 | 12 | 22 | 24 | 23 |
| May | 63 | 84 | 76 | 71 | 48 |
| June | 45 | 29 | 16 | 27 | 17 |
| July | 45 | 17 | 19 | 16 | 16 |
| August | 34 | 33 | 15 | 20 | 19 |
| September | 42 | 28 | 40 | 21 | 20 |
| October | 126 | 112 | 108 | 109 | 99 |
| November | 289 | 297 | 331 | 298 | 292 |
| December | 61 | 30 | 30 | 18 | 30 |
| Totals | 771 | 691 | 707 | 632 | 599 |



Shareholder Questions

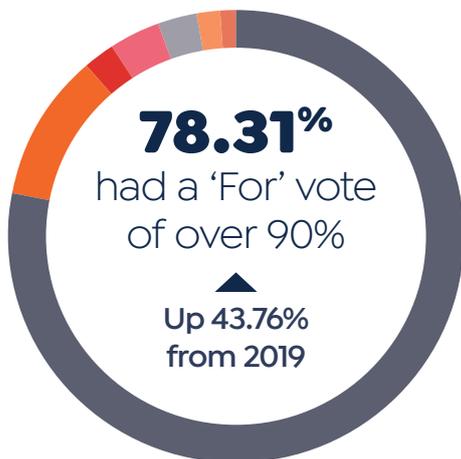
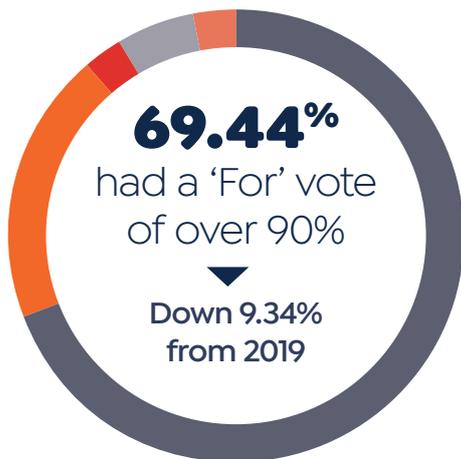
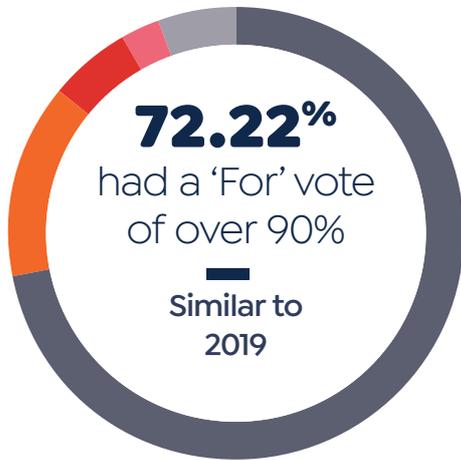
The number of clients offering questions increased in all indices. These questions provide our clients an insight into the topics that may be raised at the AGM and give them a chance to prepare.



| Question topics | 2020 |
|----------------------------------|--------|
| Remuneration Report | 10.84% |
| Future Direction/Strategy | 17.91% |
| Performance or financial reports | 10.84% |
| General Suggestion | 7.54% |
| Sustainability/Environment | 6.13% |
| Share Price | 0.00% |
| Board Management | 0.57% |
| Royal Commission | 0.00% |
| Other | 34.21% |
| Dividends/Shareholder Benefit | 5.00% |
| Customer Service | 0.47% |
| Resolution being put to the AGM | 3.68% |

Types of questions received from shareholders prior to the meeting

In 2020 the types of questions asked by shareholders were varied. There was a focus on future direction and strategy. Again, sustainability and the environment were a big focus at the actual meetings but not prominent in pre-meeting questions.



Remuneration Resolution

| S&P/ASX 100 | 2020 | 2019 |
|--------------------|--------|--------|
| ● Over 90% | 72.22% | 72.73% |
| ● 80% – 89.99% | 13.89% | 18.18% |
| ● 75% – 79.99% | 5.56% | 0.00% |
| ● 60% – 74.99% | 2.78% | 9.09% |
| ● 40% – 59.99% | 5.56% | 0.00% |
| ● Less than 39.99% | 0.00% | 0.00% |
| ● Show of Hands | 0.00% | 0.00% |

| S&P/ASX 200 | 2020 | 2019 |
|--------------------|--------|--------|
| ● Over 90% | 69.44% | 78.79% |
| ● 80% – 89.99% | 19.44% | 15.15% |
| ● 75% – 79.99% | 2.78% | 0.00% |
| ● 60% – 74.99% | 0.00% | 6.06% |
| ● 40% – 59.99% | 5.56% | 0.00% |
| ● Less than 39.99% | 2.78% | 0.00% |
| ● Show of Hands | 0.00% | 0.00% |

| S&P/ASX 201+ | 2020 | 2019 |
|--------------------|--------|--------|
| ● Over 90% | 78.31% | 34.55% |
| ● 80% – 89.99% | 10.58% | 9.09% |
| ● 75% – 79.99% | 2.12% | 2.55% |
| ● 60% – 74.99% | 3.70% | 2.18% |
| ● 40% – 59.99% | 2.65% | 2.91% |
| ● Less than 39.99% | 1.59% | 0.73% |
| ● Show of Hands | 1.06% | 48.00% |

Strikes in 2020

Of the 13 Link Group clients receiving a first strike in 2019, 5 of these received a second strike in 2020. 20 Link Group clients received a first strike.

| 2020 | 1st Strike | 2nd Strike |
|--------------|------------|------------|
| S&P/ASX 100 | 3 | 0 |
| S&P/ASX 200 | 2 | 1 |
| S&P/ASX 201+ | 15 | 4 |

| 2019 | 1st Strike | 2nd Strike |
|--------------|------------|------------|
| S&P/ASX 100 | 1 | 0 |
| S&P/ASX 200 | 1 | 1 |
| S&P/ASX 201+ | 11 | 5 |

| 2018 | 1st Strike | 2nd Strike |
|----------|------------|------------|
| ASX 100 | 3 | 0 |
| ASX 200 | 2 | 0 |
| ASX 201+ | 25 | 4 |

| 2017 | 1st Strike | 2nd Strike |
|----------|------------|------------|
| ASX 100 | 1 | 0 |
| ASX 200 | 1 | 0 |
| ASX 201+ | 22 | 6 |

| 2016 | 1st Strike | 2nd Strike |
|----------|------------|------------|
| ASX 100 | 5 | 0 |
| ASX 200 | 1 | 0 |
| ASX 201+ | 16 | 4 |



AGM SEASON WRAP

Link Market Services Australia AGM Season

2020 was a wholly unexpected year, resulting in companies making drastic changes to the way they conducted business and specifically AGMs. The Link Group meeting team ran 771 meetings including AGM, extraordinary and scheme meetings, creditor meetings, ballots, member meetings and meetings for superannuation funds.

In the first half of the year, the immediate challenge for both our listed and unlisted clients was the ability to hold their AGM by 31 May 2020.

The Australian Securities and Investments Commission (ASIC) announced on 20 March that it would take no action if AGMs were postponed for two months, and temporary changes were made to the Corporations Act, supporting AGMs facilitated online using the appropriate technology. This provided certainty that companies would meet their regulatory and compliance obligations by holding an online meeting.

Then, on 5 May, the government announced changes that would allow companies to convene annual general and other meetings prescribed under the Corporations Act, entirely online, rather than face-to-face. The changes also provided businesses with certainty that when company officers sign a document electronically, the document is considered validly executed.

On 31 July, this relief was extended until 21 March 2021.

Elections

Elections, and in particular their integrity, has been a hot topic in the news recently. Certainly, for any election, at government, association or any level, the integrity of the vote count is crucial.

In 2020 Link Group successfully conducted elections for several organisations including Australian Institute of Company Directors, RACP, Amnesty International Australia, RSL NSW, Hand Heart Pocket, Tennis NSW, and Victoria Farmers Federation. A broad spectrum – but all with the same objective; to provide their members with the comfort of an independent organisation acting as Returning Officer – which in the current environment is vitally important.

Surprisingly, a lot of organisations still use paper voting with a secret envelope. We work with clients to introduce online voting to their members, which is new territory for some. We have also moved a lot of our ballot clients away from the secret envelope – resulting in significant cost savings.

During 2020 members remained our clients' focus and together through Link Group's technology we provided members with reasonable opportunity to engage with Boards, vote and ask questions prior and during an AGM, all from the safety and convenience of their own homes. With the lessons learned during 2020 we expect to improve and grow our meeting offering making it easier for our clients to meet their goals, comply with regulations and continue engaging with their members.

Virtual Meetings

Link Group's meetings team managed over 393 virtual or hybrid meetings in Australia using our proprietary technology, with 50% of meetings conducted via video webcast and 50% via audio webcast.

In December we witnessed virtual AGM attendance records hit an all-time high with 1,264 people attending the Westpac AGM.

We facilitated the first virtual AGM in Papua New Guinea and virtual meetings in the UAE and New Zealand, as well as meetings where clients required their CHESSE Depository Interest (CDI) holders listed on the ASX to participate.

We also facilitated virtual meetings for several superannuation companies including Qantas Super, Prime Super and Legal Super, and for member organisations including NRMA, RACQ, Rugby Australia, Tennis NSW, ME Bank and Murray Irrigation Limited.

The virtual meetings were able to simultaneously connect directors and presenters from various locations around the world including the USA, Russia, Japan, India, France, and the UK. Common topics at AGMs included COVID-19 and how businesses have adapted, and remuneration of not just the Board and KPIs but also other levels within the company.

Amnesty International Australia Ballot

Amnesty International (AI) is the world's largest human rights organisation – a global movement of 7 million people across 150 countries.

Amnesty International Australia (AIA) is known as a 'section' and is an independent legal entity, registered in Australia, with over 200,000 supporters (members, activists and donors) in Australia. As with all Amnesty sections globally, their work follows the strategic direction of the international movement on human rights campaigns, activism and governance. Within this framework, members in Australia play a key role in setting the section's direction through participation in general meetings' democratic processes.

AIA comprises 7 regions, loosely based on state and territory lines. Every member of AIA is linked to a region according to their postcode and each region is headed up by an Activism Leadership Committee (ALC). The ALCs work with the National Board and board committees to inform and set the strategic direction for human rights campaigns and activism.

In addition to running the election for the ALCs, Link Group also runs the direct election of General Meeting Voters (members able to vote at General Meetings).

AIA had the following objectives for their election process and worked with Link Group in 2019 and 2020 to successfully achieve these:

- Communicate with all members (email and postal) across the 7 regions providing access to nomination statements, together with a secure way to vote in both of those elections
- Voting of 25% of eligible members in each election per region
- Accessible and user-friendly online voting systems
- User-friendly hard-copy voting system
- Results of elections (hard copy and online) within 7 days of the close of voting and in compliance with the requirements of the constitution
- Use of the Scottish Transferable Voting system (preferential voting).



Company Matters AGM Season

We are fortunate to work with over 400 clients each year, from S&P/ASX 20 entities to small caps and not-for-profits. Accordingly, we have visibility over a diverse range of entities, across a range of sectors and industries and we manage and attend many members' meetings in our role as company secretary.

Ahead of the 2020 AGM season (and pre COVID-19), we encouraged our ASX-listed entities to consider how technology could be used to facilitate the participation of investors at AGMs.

This was largely driven by the release of the Fourth Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, in which the Council encourages listed entities with large or geographically diverse registers to consider this issue, including, for example live webcasting of meetings and hybrid meetings that allow investors to attend and vote in person, by proxy or online¹.

As a result of the global pandemic and Government restrictions in place on public gatherings and social distancing (as well as travel restrictions), many companies had little option, but to hold fully virtual members' meetings in 2020.

Use of technology



Our team has been using technology to hold hybrid members' meetings² in Australia since 2016, however, our involvement in fully virtual members' meetings³ in Australia was completely new in 2020 and was enabled by the Treasurer issuing the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 (the Determination).⁴

In summary, the Determination permits companies, on a temporary and limited basis, to:

- provide notices of meeting via email (for shareholders who have provided an email address) or alternatively post a letter or postcard to shareholders advising how to find the notice of meeting documents online. This significantly reduces the cost of printing and posting often bulky meeting documents; and
- hold a virtual or hybrid member meeting using one or more technologies.

We are generally supportive of the use of technology to make it seamless for shareholders to interact with the companies in which they invest, as well as reducing costs to issuers and the positive environmental impacts that result.

In 2012, the New Zealand legislation was amended to permit a shareholder (or their proxy or representative) to participate in a shareholder meeting by means of "audio, audio and visual, or electronic communication" with approval of the Board of the company⁵. We have been advocating for a number of years for similar changes to the law in Australia in relation to member meetings and technology.

In addition, the amendments expressly provided that voting may take place at shareholder meetings by "any method permitted by the chairperson of the meeting" and approved by the board⁶. This amendment provides flexibility for companies to adapt shareholder meetings and voting to embrace technology as it develops.

¹ ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, Fourth Edition, commentary on Recommendation 6.3, page 24.

² A hybrid meeting generally refers to a general meeting where shareholders (and proxy holders) are able to participate (including to vote and ask questions) at meetings either at a physical meeting (similar to a traditional meeting) or online (for example, by using a computer, iPad, tablet or smartphone to participate in the meeting).

While a hybrid or virtual meeting will not suit every company and shareholder, the benefits can be considerable, including:



the ability for companies to reach a wider shareholder base and engage with investors in real time regardless of geographic location



shareholders selecting how they engage with the companies in which they invest, which is likely to see an increase in shareholder participation and engagement



a potential reduction in costs to companies and environmental impacts – which in turn are beneficial to all investors and the community.

In 2020, Treasury also proposed permanent changes to the law applicable to member meetings, specifically in relation to virtual meetings and the provision of electronic notices of meeting⁷. At the time of writing, it is unclear when or if Treasury will approve the proposed permanent changes to law, and the Determination has currently only been extended until 21 March 2021.

Accordingly, it is not currently clear how most companies will proceed with holding members' meetings for 2021 after the Determination expires, given the current Government restrictions imposed on public gatherings and travel restrictions.

If the Determination is extended again or the law is changed, we expect many companies to continue to hold virtual meetings, at least while the global pandemic continues.

³ A virtual meeting or online meeting generally refers to an online only meeting where shareholders (and proxy holders) can view and hear proceedings, vote and ask questions online and there is no physical component of the meeting.

⁴ The Determination was extended by Corporations (Coronavirus Economic Response) Determination (No. 3) 2020 until 21 March 2021. At the time of writing, Treasury has not yet confirmed whether the Determination will be extended again.

⁵ Companies Act 1993.

⁶ New Zealand Companies Act 1993, Schedule 1, clause 5(2).

⁷ Corporations Amendment (Virtual Meetings and Electronic Communications Bill 2020).



No disenfranchised shareholders

One of the criticisms of fully virtual meetings has been that it can tend to disenfranchise shareholders. We do not think this is generally the case, for the following reasons:

- Section 250S of the Corporations Act provides that 'the chair of an AGM must allow a reasonable opportunity for the members as a whole at the meeting to ask questions about or make comments on the management of the company.'⁸
- In our experience with virtual meetings in 2020, our clients were highly cognisant of their obligations under the Corporations Act and the need to allow shareholders participating both at the physical meeting (for hybrid meetings) and online a reasonable opportunity to ask questions about or make comments on the management of the company, the remuneration report and the financial statements and audit.
- Ahead of the AGMs, many of our clients held rehearsals to test the technology, and confirm the chair and key stakeholders were comfortable with the technology.
- Most of our clients also had processes in place to maintain a record of any questions submitted online (for several reasons, including in the event a shareholder complains that the company is 'cherry-picking' questions). Link Group's virtual meeting platform has the capability to record all questions submitted online.
- Introducing an online component involves steps and processes that are different from a traditional, physical-only meeting, for example allowing time for shareholders participating online to submit questions. The moderator(s) are a key part of facilitating an online component of a meeting – the moderators essentially act as the connection between the chair and the shareholders participating online. It is the role of the moderator to manage, receive and electronically send any questions/comments submitted during the meeting to the chair – the chair is able to view the questions on a screen in front of the microphone.

Increased focus on director re-elections

Historically, many entities viewed director re-elections as "non-events" which were often passed with nearly unanimous support and few questions from investors.

Similar to trends observed in recent years, we have continued to see an increased focus on individual director re-elections, particularly in underperforming organisations with poor financial results or governance issues.

There were a number of protest votes against director re-elections, specifically where the director was a long-standing director who was part of the board in place at the time of the poor performance and potentially had the ability to influence and approve certain outcomes, or at least should have been aware of certain issues during that time.

The recent AGM season has also shown that some investors are willing to extend their "against" votes to organisations which are not necessarily the target of the "against" vote – in that if directors who are up for re-election are also directors of other entities which are in the spotlight for the wrong reasons, investors may vote against the director's re-election even if the entity itself is not experiencing issues.

While some entities as a matter of practice, request their directors subject to re-election to address the meeting and provide a brief biography and the reasons they believe they should be elected to the board, this is not necessarily common practice.

Again, continuing on from the 2017, 2018 and 2019 AGM seasons, we observed at a number of meetings, investors requesting directors subject to re-election address the meeting and outline the benefits and attributes they would bring to the board composition and an increase of questions being asked by investors regarding director re-elections.

⁸ Section 250S(2) provides that an offence based on section 250S(1) is an offence of strict liability. Section 250S is also supported by section 250SA of the Corporations Act 'at a listed company's AGM, the chair must allow a reasonable opportunity for the members as a whole to ask questions about, or make comments on, the remuneration report.' Section 250T also provides that if the company's auditor or their representative is at the meeting, the chair of an AGM must allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor questions relevant to certain matters.



Remuneration remains front and centre

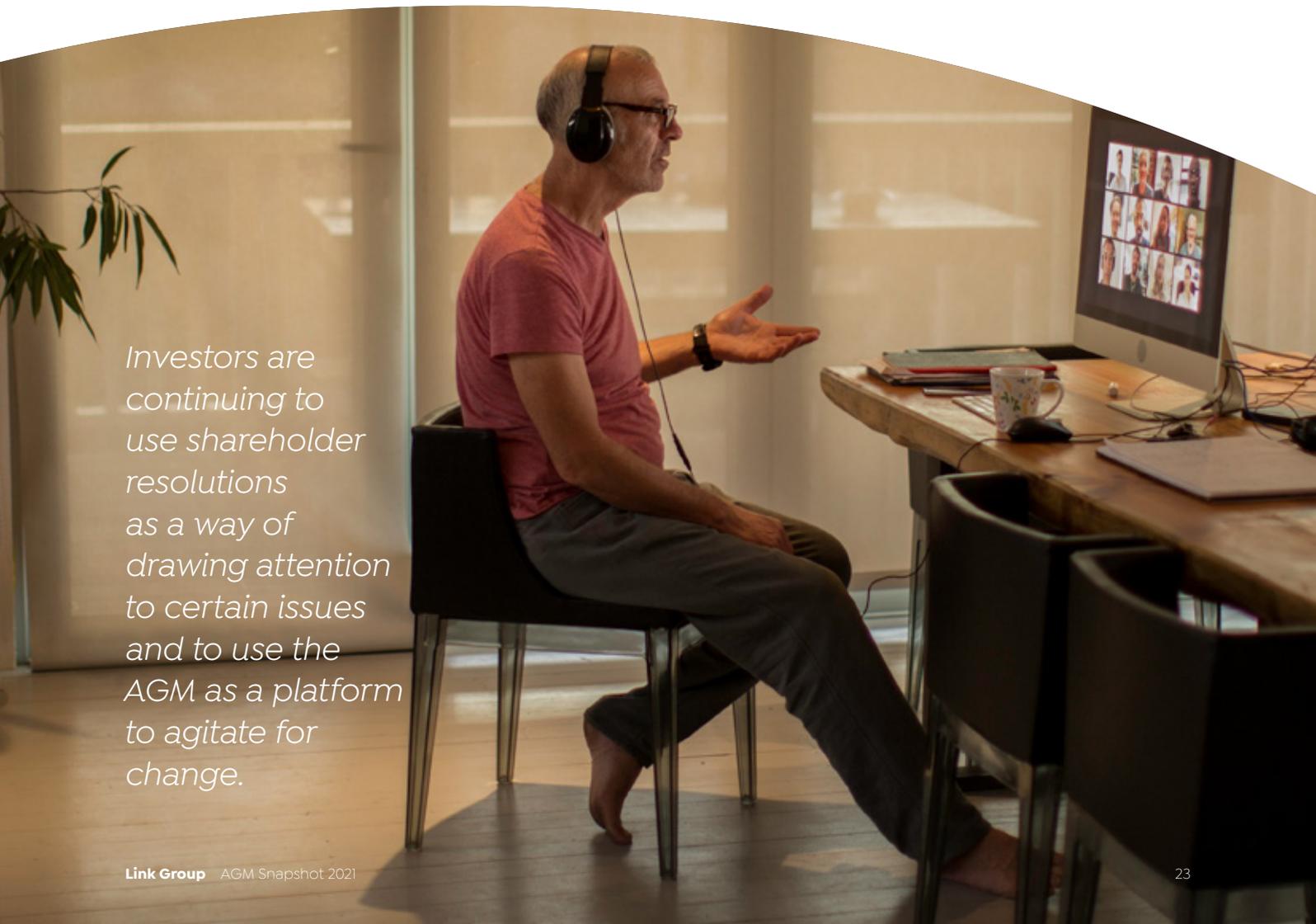
It is no surprise that remuneration matters continued to dominate many AGMs. Some of our clients who have historically received almost unanimous support for their remuneration reports, had “No” votes creeping close to a strike.

2020 also saw the continued trend of using the remuneration report to express discontent not only relating to remuneration related matters but extending more broadly in relation to a company’s general and financial performance.

Environmental, social and governance matters

Again, continuing trends from recent years, there was a focus on environmental, social and governance issues, especially at the top end of the S&P/ASX indices.

Investors are continuing to use shareholder resolutions as a way of drawing attention to certain issues and to use the AGM as a platform to agitate for change.



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Orient Capital AGM Season

The 2020 AGM season was disrupted by COVID-19, leading many of our clients to seek out new ways of communicating with investors. We saw clients pivot to our virtual and hybrid meeting solutions, resulting in a continuation of the key trends from the last 3 years.

Remuneration continued to be a key focus for investors, with particular attention given to those companies where executive bonuses seemed to contradict the impact the pandemic had on their business, especially when the corporate sector received financial assistance from the Australian Government in the form of the JobKeeper scheme.

The Virtual AGM – practical challenges

Remote working and constraints on individuals led to a profound change in shareholder engagement, particularly on the day of the AGM. The forced move to hybrid and fully-virtual AGMs initially sparked fears that shareholder rights would be diluted. Following an engaging season with strong voter turnout (albeit online) shareholder engagement remains high.

Our team locally and overseas, were heavily involved in supporting clients and ensuring shareholder expectations were met in a virtual AGM setting, assisting with the delivery of 350 virtual and hybrid AGMs. This support also included the setup and successful delivery of rehearsals, location and equipment review to make sure the events were as fail safe as possible.

Remuneration – An expectation that remuneration outcomes align with company performance.

Orient Capital's campaigns saw no material change to the number of superannuation funds voting against remuneration resolutions when compared to 2019, and a slight increase from investment managers against votes on the remuneration.

However, the number of strikes increased in 2020, with 25 issuers receiving a strike. The against votes we also quite significant, with over 21 issuers receiving more than 50% against the Remuneration resolution – compared with three in 2019, and seven in 2018. In 2019 the highest was over 58% against the remuneration compared with a high of over 88% in 2018 (with a further five strikes with more than 60% against the same year).

Remote working and constraints on individuals led to a profound change in shareholder engagement.





Activism and ESG

Throughout 2020, prominent shareholder activists, the Australasian Centre for Corporate Responsibility (ACCR) and Market Forces continued to be prominent as they pushed their commitment to holding corporates accountable in terms of their ESG with a particular focus on the climate.

Companies need to think more holistically about corporate governance being a subset of their over-arching Environmental, Social, and Governance (ESG) policy. According to the ACCR⁹, 2020 saw 23 resolutions across 8 companies, compared to 32 across 12 companies in 2019.

While the numbers were slightly reduced from 2019, one could argue that they achieved significant success on three of those campaigns where the resolutions received substantial shareholder support from institutional investors.

Directorship – Greater focus on board of director oversight and board composition



Director scrutiny continued to be a focal point in 2020. Orient Capital campaign data indicated an overall decrease in votes against the election of management-nominated directors compared to previous years. **For 2020, superannuation fund support for management-nominated directors increased by 10% compared to 2019. Conversely, there was only an increase in support for management-nominated directors of 1.8% by investment managers during the same period.**

Areas of concern related to director elections were consistent with previous years, with director independence, board composition and diversity, and over-boarding the main themes.

Proxy advisors – Make time to build your own governance focused relationships



The role and influence of proxy advisors continues to be substantial, with Glass Lewis, ISS and Ownership Matters having the largest influence on Australian-listed entities.

Investors continue to subscribe to proxy advisors and reference their data when voting. However, with variable sources of other information, a negative recommendation does not guarantee a strike.

Our data suggests that there has been a change in the trend regarding the influence proxy advisors hold when recommending that shareholders vote against the remuneration report. **The 2020 data indicated that on average, when proxy advisors make voting recommendations against the remuneration report, Super Funds will ignore said recommendations on 68.8% of occasions, and investment managers will do so in 78.3% of cases.**

The appointment of board directors with respect to diversity, gender, ethnicity, and social background will be a key focus for investors in the year ahead.

9 <https://www.accr.org.au/research/australian-esg-resolution-voting-history>



The year ahead

In 2021 we expect a continuation of key trends, which echoes what we have seen globally after the AGM season.

Travel restrictions will continue for some time and as such we anticipate the continuation of hybrid and virtual meeting technologies to bring board members and shareholders together. We have seen several ASX clients making constitutional amendments to enable them to continue to deliver meetings in this manner as per the Government's [current guidelines](#) which are due to expire on 21 March 2021.

The focus on ESG will continue to dominate in 2021, with climate change a key focal point. In December, we saw Climate Action 100+ release their [2020 progress report](#), revealing almost 50% of the investor signatories having committed to net-zero emissions by 2050, or sooner. Meanwhile, the Australian Council of Superannuation Investor's (ACSI)'s latest [climate change disclosure review](#) made it clear that a lack of corporate disclosure made it challenging for investors to clearly understand climate focused goals.

InfluenceMap, an independent think tank, states in their latest report ([Asset Managers and Climate Change 2021](#)) that shareholder proposals concerning climate risk received mixed responses from asset managers and were not forceful enough to drive change. This sentiment is echoed by both Principles for Responsible Investment (PRI) and ShareAction. Meanwhile the International Financial Reporting Standards Council (IFRS)'s proposal to standardise sustainability reporting has received support from over 450 institutional investors, including Norges and CalSTRS; another step in the right direction

The appointment of board directors with respect to diversity; gender, ethnicity, and social background will be a key focus for investors in the year ahead. [Research](#) undertaken by McKinsey in 2020 showed that a diverse and inclusive workforce not only offers improved decision making; it also has a positive effect on the company's bottom line. Overall, many investors have released their updated governance and stewardship targets for the year ahead and diversity is high on the agenda. J.P. Morgan has committed to fund \$30 billion worth of projects over the next five years to break down barriers of systemic racism¹⁰.

Remuneration, in what will continue to be a challenging economic environment, will remain another key area for investors in 2021. Those companies receiving government support will need to pay particular attention to their remuneration framework, executive variable pay and LTI/STI arrangements. Orient Capital's ownership analysis continues to provide organisations with a clear understanding of their ownership base and where the influence and voting power lies.



Key areas of focus for 2021

- Know your shareholder base
- Continued engagement with shareholders
- Clarity around remuneration framework
- Ensure clear targets for performance metrics
- Clearly articulate ESG metrics

¹⁰ <https://www.jpmorganchase.com/news-stories/jpmc-commits-30-billion-to-advance-racial-equity>

TECHNOLOGY

One of the biggest challenges our clients faced in 2020 was how to hold a virtual AGM, and ensure they, their executives and board were all familiar with the technologies available.

Our teams pivoted in early March, delivering our first fully-virtual AGM within a week. By utilising the different technologies available, we were able to successfully deliver over 350 virtual/hybrid AGMs (over 1,003 events including the rehearsals and practice runs that happened in the background).

Working with our trusted partners, we have facilitated AGMs hosted in Papua New Guinea, the United Kingdom, Middle East and New Zealand, and connected directors from all around the world. Don't be too concerned if your board of directors haven't utilised this technology before, as our team of technical specialists are available to work with and guide you and your executive teams to ensure a smooth experience.

We are constantly being asked what we and our clients have learned during this year.

The main piece of advice is for all company secretarial and investor relations teams to start thinking about their event at least 2 to 3 months before the event and engage our team of event specialists early on, so that we can work together and decided on the format and technologies to be used in a collaborative setting. This ensures the process is seamless and worry-free for all involved.

Items for consideration

- Will the meeting venue be at your office or a hotel/convention centre
- Are directors participating in the event from their home? Will they be located domestically or internationally?
- Where will your chairperson and moderator be located?
- Is there a live audience?
- Will your event utilise video and/or audio?
- What are your audio-visual requirements?
- Will your event be supported by a conference call?
- Does your event require a video conference to bridge together remote locations?



THE INTERNATIONAL AGM LANDSCAPE

Spotlight on: New Zealand

While the ability for companies to have virtual or hybrid annual shareholder meetings in New Zealand has been in place since 2013, it has taken COVID-19 to initiate widespread adoption of the technology. As the effects of the pandemic hit the annual meeting season, companies raced to implement a virtual event with boards and management adapting to the new environment.

Of the 91 meetings held by Link Group New Zealand clients, 55 of those were fully virtual – the first time that clients held online-only meetings. While 19% of companies had online capability in 2019, almost 90% of companies used the technology in 2020.

Total attendance at annual meetings more than doubled in 2020 since 2019, despite physical attendance dropping by 51%, as shareholders were unable to attend meetings in person.

In addition, the percentage of issued capital voted increased to 48% in 2020 from 40% in 2019, reflecting greater online and proxy voting.

Companies permitted submission of pre-meeting questions by shareholders, with 45% of listed companies allowing this mechanism, versus 29% of companies the year before.

A key point about online meetings in 2020 was the increasing complexity and production efforts required to broadcast the annual meeting event. Often a combination of live cameras at the broadcast location, co-ordinated streaming of directors and management from various locations around the globe, and phone dial-in options, meant increased effort and set-up requirements. Link Group's virtual meeting platform integrates with any audio visual suppliers to produce a high quality meeting.

The a2 Milk Company

One annual meeting from 2020 illustrating increased online attendance is The a2 Milk Company Limited (a2 Milk) – a dual-listed company in Australia and New Zealand, which has used the virtual meeting technology since 2016.

In 2016, a2 Milk had just over 23,000 shareholders, and 88 people attended physically against 190 attendees online that year. The Board attended physically, with a one camera broadcasting to those watching remotely.

In 2020, a2 Milk had over 64,000 shareholders, with shareholders unable to attend in person, over 821 attendees watched the meeting online. The webcast included management from Sydney, and streamed members of the board from multiple locations around the globe.

The company also fielded a record number of questions, with shareholders asking 52 questions online – enabling them to fully participate in what may become the new digital age of the annual shareholder meeting.

IN 2016

23,000
SHAREHOLDERS

| | |
|------------------------------------|-----------------------------------|
| 18 physical attendees | 190 online attendees |
|------------------------------------|-----------------------------------|

IN 2020

64,000
SHAREHOLDERS

| | |
|-----------------------------------|-----------------------------------|
| 0 physical attendees | 821 online attendees |
|-----------------------------------|-----------------------------------|



Spotlight on: India

The pandemic took the world by storm in 2020 impacting more than 180 jurisdictions and forcing organisations to rethink strategies for business continuity. While social distancing became common, remote working, enhanced digital capabilities, efficient processes and remote governance became high priority.

At Link Intime, we adopted a multi-pronged approach with considered decisions and speed of delivery, ensuring that we were at the forefront from 'Day One'.

Virtual meetings

We received our first inquiry for a Virtual AGM in mid-April 2020 which allowed about four weeks to create a single-roof, secure and easy-to-use online product that shareholders across the globe could access from their homes.

We partnered with a reputable organisation and our IT and Business Operations teams worked tirelessly to create an exclusive e-meeting video collaboration product that adhered to the new law from the Government.

With the shift from physical to virtual meetings – we made the switch while considering client requirements. We built a feature-rich product capable of integration with our proprietary e-voting platform 'InSta VOTE' (as well as other similar platforms) enabling companies to hold their shareholder and other meetings virtually. 'InSta MEET' our B2C video conferencing product for e-meetings – combines regulatory compliance, convenience, efficiency and safety.

'InSta MEET' hit the marketplace in May 2020 and was well received. We played a pivotal role in hand-holding several companies which were not technologically savvy, through a series of product walkthrough sessions. Our first 'InSta MEET' event was held on 29 June 2020.

We have held over 345 seamless 'InSta MEET' events since then. Our dedicated team booked 51 InSta MEET events; 25 of them concurrently scheduled!

Total attendance at annual meetings more than doubled in 2020 since 2019, despite physical attendance dropping by 51%.

Spotlight on: The UK

A review of General Meetings in 2020

During 2020 we analysed the voting results of our client General Meetings (GMs) in the UK and Ireland, to uncover trends and behaviour of the investment community compared to the same period in 2019.

- 1019 GMs analysed
- 9508 resolutions put to shareholder vote
- Voting choices and digital mechanisms

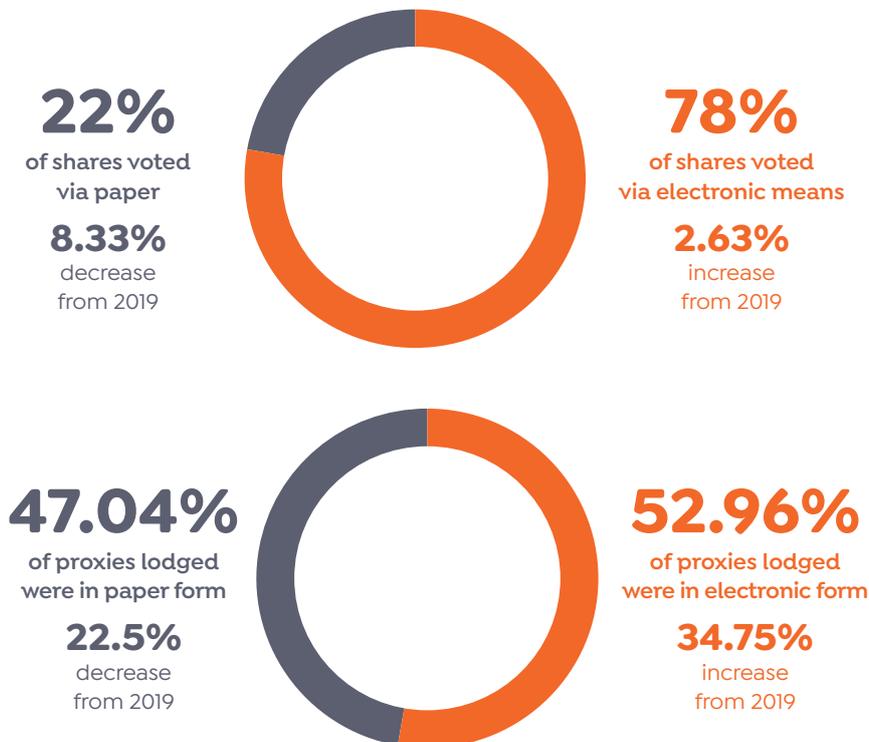
Voting volumes

It is pleasing to note that the average amount of issued capital being voted at meetings is also rising and may reflect efforts by companies to make voting easier using multiple voting channels, as well as the desire to engage with shareholders.

On average, 63.87% of share capital was voted for each resolution – a 27.51% increase from 2019.

However, there was a drop in the number of shareholders submitting a proxy appointment which may reflect general concerns during the pandemic about using paper voting and posting items.

Only 5.19% of registered shareholders exercised their voting rights via proxy appointments compared to 6.16% in 2019.



Electronic and paperless proxy voting have been growing in popularity and usage over the last few years. The move away from physical delivery accelerated by the pandemic has seen a significant increase in the use of digital mechanisms for general meetings compared to 2019.



Engagement and participation

Social distancing measures have meant that the “standard AGM” was largely abandoned in 2020. Many companies have held their shareholder meetings behind closed doors and the measures contained in the Corporate Insolvency and Governance Bill 2020 have allowed companies to hold GMs virtually regardless of legal or Articles of Association stipulation – this temporary provision will remain in place until 30 March 2021.

An increasing number of companies have utilised the hybrid meeting model where they already have regulations in place, with many more seeking approval for changes to Articles of Association. In 2020, 16 FTSE 100 companies had Article changes approved by shareholders that include provisions for hybrid meetings to be held. The Article changes have also included changes to clarify share forfeiture provisions and flexibility around electronic dividend payments.

During the year, we supported 26 separate hybrid meeting events in the UK where companies have used existing authorities or relied on the measures within the Corporate Insolvency and Governance Bill 2020. Most of these meetings occurred in the final half of the calendar year. However, during December 2020, almost double the number of companies that held a fully hybrid meeting made positive enquiries about holding a hybrid meeting in 2021, with these enquiries continuing in 2021.

A look ahead to 2021

Support for the hybrid model generally is gathering pace with 81% of retail shareholders recently surveyed in favour of the use of hybrid. The benefits for issuers have become clearer and the technology that supports delivery is well established globally.

The 2021 AGM season will present challenges in the UK given the uncertainty around legislative change required to side-step companies’ articles. Ireland however has emergency measures in place until 9 June 2021 meaning that most company AGMs can benefit from the additional measures. The challenge for any issuer using the existing arrangements will be to consider extending shareholder participation rights via digital means rather than holding closed door meetings; something that investors and regulators have voiced concern about.

Spotlight on: Germany

The global pandemic also led to a temporary change in the law in Germany regarding convening and holding Annual General Meetings (AGMs), which brought changes to AGMs that had not been experienced in the previous 30 years.

With a law that passed in March 2020, the German legislator created the temporary possibility to hold not just AGMs, but also representative meetings, general meetings or similar, virtually, without the physical presence of shareholders on site. More than 95% of our clients made use of this option in 2020. A few small companies with very few shareholders on site kept a physical AGM – often with special permission from the local district administration department.

In addition, the ARUG II (Act Implementing the Second Shareholders' Rights Directive) came into force on 1 January 2020, which then led to a complete reorganisation of AGMs and also the registration, voting and confirmation procedures on 3 September 2020 when EU Regulation 1212/2018 came into force.

Overview of the main changes in the law

The most significant points of change:

- The AGM is held without the shareholders' physical presence. Only the company's proxy is present. Voting is also possible by electronic postal vote or as an online vote.
- The right to propose motions is largely suspended.
- The statutory right to ask questions has been replaced by an opportunity to ask questions. Answering questions is at the discretion of the board. The company is further relieved by the fact that the board can limit the right to hand in questions two days before the AGM. Questions about the board's presentation at the AGM are not possible.
- There is no longer a need for printed invitations, but a website with all relevant information on the AGM such as the agenda, registration requirements, etc must be provided for shareholders. The website will become the central information medium.

- Banks in the EU must forward the information to shareholders.
- Shareholders have a right to confirmation of their votes and execution of votes.

Further legal facilitation

- If, in principle, the AGM of public limited companies had to take place within eight months after the end of the financial year, the legislator grants companies a further four months to hold the AGM (i.e. within twelve months after the balance sheet date).
- In addition, the legislator has adopted shortened deadlines for convening the AGM. Accordingly, the AGM can be convened 21 days in advance instead of the previous 36 days. This contraction, coupled with the resulting significantly shorter registration period, is not desirable from the shareholders' point of view.

Safe conduct of meetings despite pandemic – criticism voiced in isolated cases

The facilitation of the law offered the companies the possibility to hold the AGM safely despite the prevailing situation. Criticism of the law came from the two large shareholder protection associations, SdK – Schutzgemeinschaft der Kapitalanleger e.V. and DSW – Deutsche Schutzvereinigung für Wertpapierbesitz e.V. The criticism referred to the significant restriction of shareholder rights in the 2020 season. This justified criticism was partially recognised in the extension of the law for the 2021 season.

Overall, the virtual AGM also brought a record number of votes represented at the AGM, just under 70% of the average presence in the DAX 30.

The virtual AGM also brought a record number of votes represented at the AGM, just under 70% of the average presence in the DAX 30.

Two clear trends that could be observed among clients

1. Postal voting grew significantly in importance, compared to issuing a proxy to the company's proxies. Contrasting with 2019 where an average of less than 20% of the votes cast were received by postal vote, in the 2020 season this figure was over 42% – which relates to the lack of votes cast in person and the explicit format of electronic postal voting.
2. Most questions are received in the last two days.
 - a. The deadline for submitting questions was determined differently; shareholders are given until the end of the second day before the virtual AGM (midnight) to submit questions.
 - b. The number of questions was slightly below the level of the last physical AGM, but often with different questioners than at the AGM.
 - c. The quality of questions was consistently very high.

Overall, during the AGM season, a clear learning curve occurred among all the players:

In springtime, one still saw board chairmen with small-patterned shirts and iridescent ties; the teleprompter became a new friend among board members, and major shareholders and committee members were encouraged to cast their votes early so that stakes were not missed and to prevent random majorities.

The legislator complied with the majority request of capital market participants and replaced the opportunity to ask questions with the right to ask questions and shortened the deadline for submitting questions to one day (previously two days) before the AGM. The pressure on the board of directors was also increased to answer the submitted questions in full and not according to pure discretion. In addition, the legislator has again tightened the right to submit motions. Thus, motions submitted in due time in the run-up to the AGM must be treated as having been submitted at the AGM. This arrangement is again similar to conventional physical AGMs.

A look ahead to 2021

For the 2021 season, it remains to be seen how companies will position themselves on the capital market with the conduct of the AGM. Especially regarding the right to ask questions, there is room to manoeuvre to enable this in a shareholder-friendly way up to the AGM.

It is already being discussed to what extent public limited companies will comply with the possibilities of a more shareholder-friendly arrangement. It can be assumed that companies from the DAX, MDAX and SDAX indices could speak out in favour of a more shareholder-friendly structure. In view of last year's learnings from virtual AGMs, this is certainly the next logical step. Smaller listed companies, which are not the focus of capital market players, will probably comply with the law and not make use of any leeway.

It will be exciting to see to what extent Clearstream's lack of SRD II readiness will hinder the transmission of information between the company and shareholders in the 2021 season.

Numerous banks and intermediaries have not yet adapted their systems to the new SWIFT standard ISO 20022 and the old standards for data transmission do not meet the requirements of the EU Regulation. We expect considerable additional effort here due to the lack of standardisation.

The AGM season will probably be dominated by the topics of board remuneration, especially executive board remuneration and ESG. With the entry of the SRD II, a vote of the AGM will be required for the approval of a remuneration system which will lead to many companies placing this on the 2021 agenda.

NATIONAL VENUE LIST

Sydney

| Venue | Capacity of Largest Room | Address | Phone | Web |
|---|--------------------------|---|----------------|----------------------------------|
| Amora Hotel | 300 | 11 Jamison Street, Sydney | 02 9696 2500 | www.sydney.amorahotels.com |
| ANZ Stadium | 1,500 | Olympic Boulevard, Sydney Olympic Park | 02 8765 2000 | www.anzstadium.com.au |
| Art Gallery of NSW | 320 | Art Gallery Road, Sydney | 02 9225 1700 | www.artgallery.nsw.gov.au |
| Australian Institute of Chartered Accountants | 100 | 33 Erskine Street, Sydney | 02 9290 1344 | www.charteredaccountantsanz.com |
| Australian Institute of Company Directors | 50 | 20 Bond Street, Sydney | 02 8248 6600 | www.aicd.companydirectors.com.au |
| Carriageworks | 800 | 245 Wilson Street, Eveleigh | 02 8571 9099 | www.carriageworks.com.au |
| City Recital Hall | 1,200 | Angel Place, Sydney | 02 8256 2222 | www.cityrecitalhall.com |
| Cliftons Conference Centre | 190 | Level 13, 60 Margaret Street, Sydney | 02 9250 0999 | www.cliftons.com |
| Christie Conference Centre – Sydney CBD | 150 | 3 Spring Street, Sydney | 02 8249 4500 | www.christiespaces.com.au |
| Christie Conference Centre – North Sydney | 130 | 100 Walker Street, North Sydney | 02 8404 4100 | www.christiespaces.com.au |
| Customs House | 200 | 31 Alfred Street, Circular Quay, | 02 9242 8551 | www.sydneycustomshouse.com.au |
| Dexus Place | 90 | Level 5, 1 Margaret Street, Sydney | 1800 397 752 | www.dexusplace.com |
| Dexus Place | 150 | Level 15, 1 Farrer Place Sydney | 1800 397 752 | www.dexusplace.com |
| Doltone House – Darling Island | 1,088 | 48 Pirrama Road, Pyrmont | 02 8571 0622 | www.doltonehouse.com.au |
| Doltone House – Hyde Park | 550 | 3/181 Elizabeth Street, Sydney | 02 8571 0622 | www.doltonehouse.com.au |
| Doltone House – Jones Bay Wharf | 800 | Level 3, 26–32 Pirrama Road, Pyrmont | 02 8571 0622 | www.doltonehouse.com.au |
| Sheraton Grand Sydney Hyde Park | 550 | 161 Sussex Street, Sydney | 02 9286 6000 | www.marriott.com |
| Four Seasons | 1,000 | 199 George Street, Sydney | 02 9250 3100 | www.fourseasons.com |
| Justice & Police Museum | 100 | Corner Albert and Philip Streets, Sydney | 02 9252 1144 | sydneylivingmuseums.com.au |
| ICC Sydney | 2,500 | 14 Darling Harbour, Sydney | 02 2 9215 7100 | www.iccsydney.com.au |
| Intercontinental Hotel Sydney | 300 | 117 Macquarie Street, Sydney | 02 9253 9000 | www.ihg.com |
| Karstens | 180 | Level 1, 111 Harrington Street, Sydney | 1300 008 710 | www.karstens.com.au |
| Luna Park | 508 | 1 Olympic Drive, Milsons Point | 02 9033 7540 | www.lunaparkvenues.com |
| Museum of Contemporary Art | 350 | 140 George Street, The Rocks | 02 9245 2400 | www.mca.com.au |
| Museum of Sydney | 120 | Corner of Philip and Bridge Streets, Sydney | 02 9251 5988 | www.sydneylivingmuseums.com.au |
| Park Hyatt | 120 | 7 Hickson Road, The Rocks | 02 9256 1234 | www.hyatt.com |
| Park Royal Darling Harbour | 230 | 150 Day Street, Sydney | 02 9261 1188 | www.panpacific.com |
| Pullman Hotel | 250 | 36 College Street, Darlinghurst | 02 9361 8400 | www.pullmansydneyhydepark.com.au |
| Radisson Blu | 180 | 27 O'Connell Street, Sydney | 02 8214 0000 | www.radissonblu.com |
| Rydges World Square | 300 | 389 Pitt Street, Sydney | 02 8268 1888 | www.rydges.com |
| Shangri-La Hotel | 900 | 176 Cumberland Street, The Rocks | 02 9250 6000 | www.shangri-la.com |
| Sheraton on the Park | 900 | 161 Elizabeth Street, Sydney | 02 9286 6000 | www.marriott.com |
| Sofitel Wentworth Hotel | 1,100 | 61–101 Philip Street, Sydney | 02 9228 9188 | www.sofitelsydney.com.au |
| State Library of NSW | 180 | Corner Macquarie Street and Shakespeare Place, Sydney | 02 9273 1414 | www.sl.nsw.gov.au |

Sydney cont.

| Venue | Capacity of Largest Room | Address | Phone | Web |
|--------------------------|--------------------------|---|--------------|--------------------------------|
| Swissotel Sydney | 450 | 68 Market Street, Sydney | 02 9238 8888 | www.swissotel.com |
| Sydney Masonic Centre | 600 | 66 Goulburn Street, Sydney | 02 9284 2888 | www.smcfc.com.au |
| Sydney Town Hall | 2,000 | 483 George Street, Sydney | 02 9265 9333 | www.sydneytownhall.com.au |
| The Concourse | 1,000 | 409 Victoria Avenue, Chatswood | 02 8075 8100 | www.theconcourse.com.au |
| The Establishment | 300 | 252 George Street, Sydney | 02 9114 7310 | www.merivale.com.au |
| The Ivy | 570 | 330 George Street, Sydney | 02 9240 3000 | www.merivale.com.au |
| The Langham | 200 | 89-133 Kent Street, Sydney, Millers Point | 02 9256 2222 | www.langhamhotels.com |
| The Mint | 120 | 10 Macquarie Street, Sydney | 02 8239 2288 | www.sydneylivingmuseums.com.au |
| The Star Sydney | 1,500 | 80 Pyrmont Street, Pyrmont | 02 9777 9000 | www.star.com.au |
| The Taronga Centre | 300 | 2a Bradleys Head Road, Mosman | 02 9969 2400 | www.tarongacentre.com.au |
| Wesley Conference Centre | 900 | 220 Pitt Street, Sydney | 1300 043 344 | www.wesleymission.org.au |

Melbourne

| Venue | Capacity of Largest Room | Address | Phone | Web |
|--|--------------------------|---|--------------|---|
| Arts Centre Melbourne | 2,000 | 100 St Kilda Road, Melbourne | 03 9281 8000 | www.artscentremelbourne.com.au |
| Crown Conference Centre | 2,500 | 8 Whiteman Street, Southbank | 03 9292 6222 | www.crownmelbourne.com.au |
| Dexus Place | 50 | Level 14, 385 Bourke Street, Melbourne | 1800 397 752 | www.dexusplace.com |
| Etihad Stadium | 1,200 | 740 Bourke Street, Docklands | 03 8625 7700 | www.marvelstadium.com.au |
| Grand Hyatt | 1200 | 123 Collins Street, Melbourne | 03 9657 1234 | www.hyatt.com |
| Institute of Chartered Accountants | 50 | Level 18, 600 Bourke Street, Melbourne | 03 9641 7400 | www.charteredaccountants.com.au |
| Karstens | 180 | 123 Queens Street, Melbourne | 1300 008 710 | www.karstens.com.au |
| Melbourne Convention & Exhibition Centre | 1,500 | 1 Convention Centre Place, South Wharf | 03 9235 8000 | www.mcec.com.au |
| Melbourne Town Hall | 1,990 | 90 - 120 Swanston Street, Melbourne | 03 9229 6377 | www.epicure.com.au/venues/venue/melbourne-town-hall |
| Monash Conference Centre | 100 | 7/30 Collins Street, Melbourne | 03 9903 8000 | www.monash.edu/venues |
| Park Hyatt | 500 | 1 Parliament Square, Melbourne | 03 9224 1234 | www.hyatt.com |
| Pullman Melbourne on the Park | 900 | 192 Wellington Parade, East Melbourne | 03 9419 2000 | www.pullmanonthepark.com.au |
| RACV Club | 500 | 501 Bourke Street, Melbourne | 1300 139 059 | www.wcm.racv.com.au |
| Rendezvous Hotel | 300 | 328 Flinders Lane, Melbourne | 03 9250 1888 | www.rendezvoushotels.com |
| Sofitel Melbourne on Collins | 1000 | 25 Collins Street, Melbourne | 03 9653 0000 | www.sofitel-melbourne.com.au |
| The Event Centre | 200 | Collins Square, 727 Collins Street, Melbourne | 03 8623 1700 | www.collinssquare.com.au |
| The Regent Theatre | 2200 | 191 Collins Street, Melbourne | 03 9299 9860 | www.marrinergroup.com.au |
| The Westin Melbourne | 150 | 205 Collins Street, Melbourne | 03 9635 2222 | www.marriott.com.au |

Brisbane

| Venue | Capacity of Largest Room | Address | Phone | Web |
|---|--------------------------|--|--------------|---|
| Brisbane Convention and Exhibition Centre | 2,740 | Corner of Merivale and Glenelg Streets, South Bank, Brisbane | 07 3308 3000 | www.bcec.com.au |
| Brisbane Powerhouse | 525 | 119 Lamington Street, New Farm | 07 3358 8600 | www.brisbanepowerhouse.org |
| Christie Corporate | 250 | 320 Adelaide Street, Brisbane City | 07 3707 1319 | www.christiespaces.com.au |
| Cliftons | 120 | 24/288 Edward Street, Brisbane City | 07 3231 0999 | www.cliftons.com |
| Customs House Brisbane | 300 | 399 Queen Street, Brisbane City | 07 3365 8999 | www.customshouse.com.au |
| Dexus Place | 100 | Level 31, 1 Eagle Street Waterfront Place, Brisbane | 1800 397 752 | www.dexusplace.com |
| Karstens | 180 | Level 24, 215 Adelaide Street, Brisbane | 1300 008 710 | www.karstens.com.au |
| Mantra on Queen | 120 | 570 Queen Street, Brisbane City | 1300 092 872 | www.mantra.com.au |
| Mercure Hotel Brisbane | 900 | 85/87 North Quay, Brisbane City | 07 3237 2300 | www.mercurebrisbane.com.au |
| Novotel Brisbane | 350 | 200 Creek Street, Brisbane City | 07 3309 3309 | www.novotelbrisbane.com |
| Queensland Cricketers' Club | 400 | 411 Vulture Street, East Brisbane | 07 3896 4533 | www.qldcricketersclub.com.au |
| Queensland Gallery of Modern Art (GOMA) | 220 | Stanley Pl, South Brisbane | 07 3842 9945 | www.qagoma.qld.gov.au |
| QPAC Queensland Performing Arts Centre | 60 | Melbourne Street and Grey Street, South Brisbane | 13 62 46 | www.qpac.com.au |
| Royal International Convention Centre | 1,300 | 600 Gregory Terrace, Bowen Hills | 07 3253 3900 | www.rydges.com |
| Rydges South Bank Brisbane | 100 | 9 Glenelg Street, South Brisbane | 07 3364 0800 | www.rydges.com/accommodation/brisbane-qld |
| Tattersalls Club Brisbane | 300 | 215 Queen Street, Brisbane City | 07 3331 8888 | www.tattersallsclub.com.au/ |
| Treasury Casino & Hotel | 120 | 130 William Street, Brisbane City | 07 3306 8852 | www.treasurybrisbane.com.au |
| Victoria Park Function Centre | 540 | 261 Herston Road, Brisbane City | 07 3253 2525 | www.victoriapark.com.au |

Adelaide

| Venue | Capacity of Largest Room | Address | Phone | Web |
|----------------------------|--------------------------|-------------------------------|--------------|-----------------------------------|
| Adelaide Convention Centre | 3,000 | North Terrace, Adelaide | 08 8212 4099 | www.adelaidecc.com.au |
| Adelaide Festival Centre | 2,000 | King William Street, Adelaide | 08 8216 8600 | www.adelaidefestivalcentre.com.au |
| Ayers House | 170 | 288 North Terrace, Adelaide | 08 8224 0666 | www.ayershouse.com |
| Hilton Adelaide | 750 | 233 Victoria Square, Adelaide | 08 8217 2000 | www3.hilton.com |
| Hotel Richmond | 80 | 128 Rundle Mall, Adelaide | 08 8215 4444 | www.hotelrichmond.com.au |
| Peppers Waymouth Hotel | 100 | 55 Waymouth Street, Adelaide | 1300 987 600 | www.peppers.com.au/waymouth/ |

Perth

| Venue | Capacity of Largest Room | Address | Phone | Web |
|--|--------------------------|--|--------------|--|
| Celtic Club (must be a member) | 120 | 48 Ord Street, West Perth | 08 9322 2299 | www.celticclubperth.com |
| Cliftons Function Centre | 120 | Ground Floor, Parmelia House, 191 St Georges Terrace, Perth | 08 9480 0999 | www.cliftons.com/locations/australia/perth |
| Crown Perth | 1,800 | Great Eastern Highway, Burswood, Perth | 08 9362 7574 | www.crownperth.com.au |
| Duxton Hotel | 300 | No.1 St George's Terrace, Perth | 08 9261 8000 | www.perth.duxtonhotels.com |
| Four Points by Sheraton | 180 | 707 Wellington Street, Perth | 08 9327 7000 | www.marriott.com |
| Frasers Function Centre | 585 | Fraser Avenue, Kings Park, West Perth | 08 9482 0170 | www.frasersrestaurant.com.au |
| Hyatt Regency | 1000 | 99 Adelaide Terrace, Perth | 08 9225 1234 | www.hyatt.com |
| London House Conference Room (via The George) | 120 | 216 St Georges Terrace, Perth | 08 6161 6662 | www.thegeorgeperth.com.au/conferences |
| Pan Pacific Perth | 700 | 207 Adelaide Terrace, Perth | 08 9224 7777 | www.panpacific.com |
| Parmelia Hilton Perth | 450 | 14 Mill Street, Perth | 08 9215 2000 | www.hilton.com |
| Perth Convention & Exhibition Centre | 2500 | 21 Mounts Bay Road, Perth | 08 9338 0300 | www.pcec.com.au |
| QVI Conference Centre | 90 | QVI Level 2, 250 St Georges Terrace, Perth | 08 9322 4270 | www.qvi.com.au/conference-centre-perth |
| South Perth Bowls Club | 120 | 2 Mends Street, South Perth | 08 9367 2784 | www.spbc.com.au |
| Subiaco Arts Centre | 300 | 180 Hamersley Road, Subiaco | 08 9380 3000 | www.ptt.wa.gov.au/venues/subiaco-arts-centre |
| Tradewinds Hotel | 200 | 59 Canning Highway, Fremantle | 08 9339 8188 | www.tradewindshotel.com.au |

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