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# In this edition



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The outbreak of COVID-19 has forced companies to re-imagine how they engage with shareholders and for many organisations, it has forced them to explore new forms of digital communication. The health and safety of shareholders, staff and other stakeholders remains a top priority for all companies and the recent 'mini' AGM season has highlighted the importance of being prepared to engage with shareholders in a virtual world.

In this 'mini season' meeting report, we examine the meeting trends that have emerged during the pandemic.

Globally, since March we have facilitated more than 200 virtual meetings in over 10 countries. In Australia and New Zealand more than 70% of all meetings were held virtually.

We expect virtual meetings to continue to grow in popularity and more organisations across different jurisdictions to utilise this technology. Similarly, Link Group's own AGM will be held virtually, and we look forward to connecting with our shareholders in this format.

One of the key learnings from this experience is the importance of being flexible; how you initially intended to run your meeting, could change depending on current advice from health authorities and the government.

We have experience in managing meetings and events and will guide you through any changes.

We hope that the trends and tips we have compiled for the mini season assist with planning for your next meeting.

# Latest trends and observations

As many companies came to terms with the impact of COVID-19 on their business, one of the immediate challenges facing our listed and unlisted clients with a December 31 year end, was the ability to hold an AGM by 31 May 2020 while adhering to the rapidly evolving social distancing rules.

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.

As a result, Link Group's specialised events team including dedicated meeting experts, webcast producers and onsite technicians worked closely with 62 of our clients to host their AGMs using our proprietary virtual meeting technology. Globally, Link Group has supported more than 200 clients with their online meetings.

## Voting (AGMs for listed entities only)



### Proxy/Voting Forms Received

The average return for proxy/voting forms for the 2020 mini season is 4.07%, slightly up on the return rate of 3.91% for meetings at the same time last year.

4.07%

3.91%

### Issued Capital Voted

The average issued capital voted across all indices was 81.96%, compared to 72.51% for the same period in 2019.

The number of direct and proxy votes by percentage of Issued Capital received at proxy close was generally higher, and the number of direct votes (votes on floor) received at the online meeting was generally lower.

81.96%

72.51%

## Meeting Attendance (Annual General Meetings only)

The statistics highlighted an increase in engagement and the ability to participate in meetings irrespective of where attendees were located, with attendance higher since the temporary relief announcement supporting the ability to hold online meetings. Like a physical meeting, shareholders logged in to view and vote at the meeting and were given the opportunity to ask questions.

### Total Attendance

Highest	828	Coca Cola Amatil Limited
Lowest	3	ASX All Companies organisations

### Total Shareholder

Highest	49	Coca Cola Amatil Limited
Lowest	1	Two ASX All Companies organisations

### Questions

Highest	23	Appen Limited
Lowest	1	numerous
Average	5.32	questions per meeting

## Meeting Attendance – Extraordinary General Meetings and Unlisted Entities

Link Group ran hybrid and virtual meetings for member organisations including Rugby Australia, CPA Australia Ltd, Hand Heart Pocket, Royal Australian Institute of Architects and EGMs for companies including Cromwell Property Group, the Citadel Group and 4DX Limited.

Participation in these meetings was high, with questions asked online and via phone (where phone facility was offered).

### Total Attendance

Highest	378	Cromwell Property Group
Lowest	16	ASX All Companies organisations

### Total Shareholders/Members

Highest	155	Cooperative Bulk Handling Limited
Lowest	1	ASX Top 100 organisation

### Questions

Highest	91	Hand Heart Pocket
Lowest	0	numerous
Average	8.57	questions per meeting



“Due to the nature of these meetings, the average questions asked were higher than those asked at AGMs.”

# Virtual Meetings

Since 30 March this year, Link Group's meetings team managed over 62 virtual or hybrid meetings in Australia using our proprietary technology, with half of the meetings conducted via video webcast and half via audio webcast.

We facilitated the first virtual AGM in Papua New Guinea. There were a total of three meetings held during the period, with two more meetings already scheduled for later in the year.

We also facilitated two virtual meetings for United Arab Emirates clients and one virtual meeting for an international company to allow their CHES Depository Interest (CDI) holders listed on the Australian Securities Exchange to participate.

We also facilitated our first virtual meeting for a superannuation company for the Australian Institute of Superannuation Trustees and member organisations including Rugby Australia, CPA Australia and Hand Heart Pocket.

The virtual meetings were able to link directors and presenters from various locations around the world including the USA, Russia, Japan, India, France, and the UK.

Of the meetings already scheduled from 1 August to 31 December – half have confirmed they will have a virtual component.

## Case study

**Link Group successfully facilitated three virtual meetings on 30 March 2020 for clients Cromwell Property Group, Rugby Australia and Citadel, from different locations around Australia utilising our proprietary hybrid and virtual meeting technology.**

**Following the milestone announcement of the first virtual meeting (for Australia and New Zealand) which occurred in New Zealand on 27 March 2020; Cromwell's Extraordinary General Meeting on 30 March, was the first meeting of its type to take place in Australia seeing some 364 attendees join online, a large number of attendees for an electronic meeting in Australia. Citadel saw 58 attendees join online and Rugby Australia had 92% of their member base connect to their meeting.**

**These well-attended meetings allowed members and directors to connect, vote on resolutions and ask questions all via Link Group's proprietary virtual meeting technology, previously used at hybrid (combined physical and virtual) meetings and AGMs. This is an invaluable tool with recent social distancing restrictions in place, changes in legislation and the subsequent move towards a more fully virtual approach by the market.**

## Considerations

Our recent meeting experience has highlighted a number of considerations when holding a virtual meeting that will help determine what is required for your meeting – with technology a primary factor.

Central to the success of your AGM is Link Group's secure, robust meeting platform with full redundancy built in (for audio and visual back up) to ensure a seamless experience for investors.

Your Client Relationship Manager will carefully project manage your event; guiding you through all of the requirements below.

### Roles

- Who will host your meeting and act as moderator?
  - A host (typically your Client Relationship Manager) will usually introduce and facilitate the meeting.
  - The moderator (Company Secretary or Client Relationship Manager) is helpful to have on hand to field questions from the online audience.

### Participants

- Know how many presenters will log into the event.
- Know where your board members, external auditor and moderator will be on the date of your intended meeting so that you can coordinate their attendance.
- If you want to allow shareholders and members to participate via phone you will need to provide details of the phone line where they can call in, submit votes and ask questions.

### Presenters

- Ensure the camera is in your eye line.
- Test the lighting to ensure your face is not over or under exposed.
- Have at least one rehearsal so presenters do not come across like they are 'reading their script'.
- Consider the background – not overly plain, busy, dark or bright.
- Do not wear heavily patterned clothing (which will cause a 'strobing' effect).
- Consider background noise and how it may affect the presentation.
- Ensure doors are closed, fans and other noisy gadgets are turned off.
- Try to look towards the camera when presenting.
- Use the exact same tested set up on event day.

- Consider hiring a teleprompter to promote engagement with the audience, avoid the Chair and CEO looking down at their notes and enhance the experience for the participants viewing the meeting (the cost is about \$1,300 a day).

## Virtual Meeting Tips and Traps

- **Be flexible:** things are constantly changing. How you intended to run your virtual meeting initially, may change depending on the advice from health authorities and government. Link Group has experience in managing events and will guide you.
- **Keep in touch:** communicate changes to shareholders/members via an ASX announcement and email/post if appropriate.
- **Filming:** if filming from a specific location, you will need to engage with an audio-visual service provider. (Our events team can arrange this on your behalf).
- **One hour prior:** conduct a test of the presenter's login, microphones, images etc. If there are multiple locations and presenters, online and via phone, then conduct a full dress rehearsal.
- **Internet:** with internet usage at its peak at the moment, it is important to test connectivity.
- **Login:** Enter a virtual meeting to see how it looks in the platform.
- **Participation:** provide holders with clear details on how they can view and participate in the hybrid/virtual meeting via your NOM and ASX announcements.
- **Location:** find out where your presenters will be on the day so we can test from this location and test the lines your presenters will be dialling in from.
- **ASA:** Engage with the Australian Shareholder's Association.
- **Branding:** Consider the branding of your slides – these are a visible element to those logging in.
- **Marketing:** Consider promotional videos before or during the meeting for those logging in.
- **Voting:** must be by poll.

# Technology

Meeting technology requirements changed along with everything else as a result of the pandemic, bringing virtual meetings to the fore.

## Pre-COVID meetings

- All meetings had a host venue, where the majority of presenters and shareholders were located.
- An audio visual provision was arranged (microphones, speakers, lecterns, screens).
- A camera, camera operator and webcast technician were located onsite at the host venue.
- A video conference was only utilised occasionally, on occasions where a presenter was overseas.

## COVID meetings

- No physical host venue for shareholders, due to social distancing measures.
- Board and executives are often 'stuck' at home unable to travel, therefore there is a need to connect multiple locations.
- Audio visual provisions often have not been considered.
- There is a reliance on personal PCs/laptops and 'retail' internet connections.
- There is a lack of understanding and knowledge about the technologies used.

## Post-COVID meetings

Clearly virtual meetings are not just for pandemics and have many advantages for companies and shareholders including:

- reduced meeting costs;
- increased shareholder participation;
- accessible for less mobile shareholders;
- eliminate travel expenses and save time for participants, and;
- environmentally friendly.



**“Pre-covid, all meetings had a host venue, where the majority of presenters and shareholders were located.”**



With Link Group's virtual meeting technology all of the elements of a physical meeting can be replicated in a virtual meeting (except maybe biscuits). Our proprietary technology enables board members, shareholders and visitors in any location to participate in meetings anywhere. Shareholders can submit votes and ask questions through the virtual meeting platform.

In addition to voting online, our technology allows your holders to participate in the meeting via telephone. They can ask questions during the meeting and voting is conducted after the conclusion of the meeting.

We facilitate hundreds of webcasts and conferences each year centred around half year and full year results, AGMs, and investor updates.

We provide a comprehensive suite of services that are required to facilitate a virtual meeting including full webcasting, audio visual production, and conferencing services.

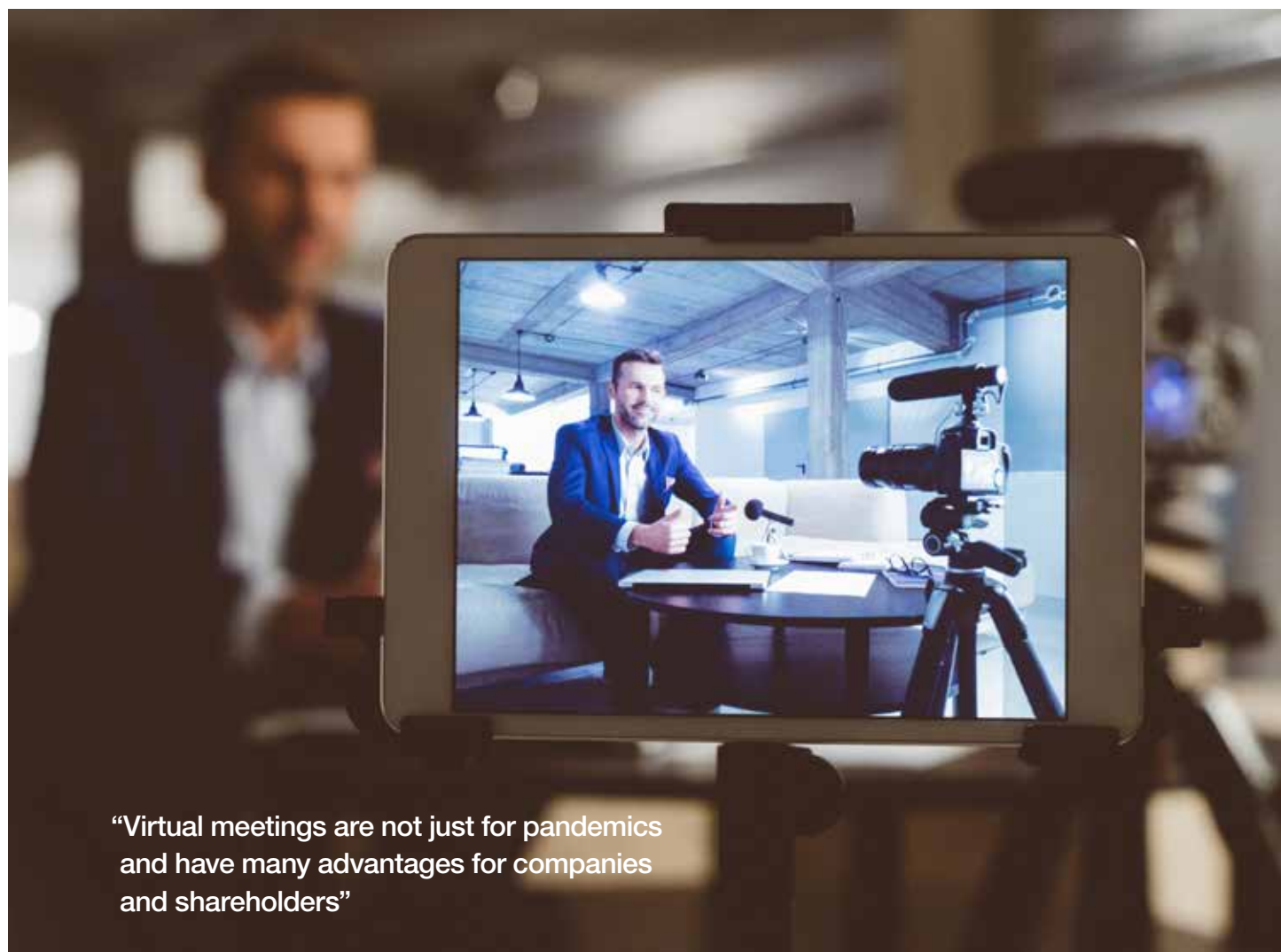
### **Virtual Meeting Information Security**

Link Group's virtual meeting platform is hosted in a virtual private cloud within Amazon Web Services (AWS) that ensures all perimeters are secured by the AWS controls as well as their governance framework.

We leverage the cloud infrastructure provided by AWS to ensure SOC compliance, scalability and elasticity. In addition, the virtual meeting platform has a web application firewall configured to prevent malicious web site attempts and DDoS attacks.

#### **AWS strengths:**

- Certified to ISO27001, ISO27017, ISO27018 and Australian IRAP.
- Comprehensive assurance reports (SSAE 16 SOC1 Type II and SSAE 16 SOC2 Type 2).
- Compliance programs specific to regulated financial services organisations are provided additional visibility into the AWS product roadmap and the right to audit.



**“Virtual meetings are not just for pandemics and have many advantages for companies and shareholders”**

# GPT AGM Case Study

GPT held their Annual General Meeting (AGM) on 13 May 2020, with the Notice of Meeting released on 9 April 2020, when the COVID-19 situation was rapidly evolving.

With the health and wellbeing of their securityholders and employees paramount, GPT quickly implemented new initiatives to ensure all securityholders had an opportunity to safely participate in the AGM remotely. GPT initially planned a hybrid meeting, however with the restrictions on group meetings, GPT announced on 4 May 2020 via the ASX, that securityholders would not be able to attend the AGM in person.

The virtual meeting was held at GPT's Sydney Head Office where the Chairman and CEO presented onsite.

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

## Outcome

The meeting was facilitated by Link Group's experienced team which comprised dedicated meeting support, technicians and a video conference bridge operator, ensuring a secure and successful meeting.

The virtual AGM was well attended with 359 online participants. A large number of attendees were GPT staff which was a positive sign of staff engagement and inclusiveness in unpredictable times.

## GPT commented

**“Link Group made the move to a virtual AGM a very smooth process. We ran a rehearsal the afternoon before the AGM and this gave us the opportunity to fine tune all elements before the live event. The Group and Board were very pleased with the end result.”**





# 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).
- ✓ Prepare the Notice of Meeting information (with our assistance if required) 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 don't 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 online platform. 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.
- ✓ Send a broadcast email the day before the meeting to remind people to login, view and vote online (optional).
- ✓ Arrange webcast (or audiocast) requirements with us.
- ✓ Confirm if an audio-visual technician is required on the day.
- ✓ 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).
- ✓ Provide final presentation slides, presenter photos (for audio cast) and chairperson's script to us.
- ✓ 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 the week prior to the meeting date).

# Around the Globe

## Spotlight on: New Zealand

COVID-19 has indisputably changed the shareholder meeting landscape.

Before the pandemic, hybrid shareholder meetings, using Link Group's virtual meeting technology had seen a growth in recent years as companies sought to enable greater shareholder engagement through the use of digital technology.

During the COVID-19 pandemic, virtual meeting technology became an essential tool to ensure the continuation of business and protect the health and safety of shareholders.

Throughout the New Zealand COVID-19 restrictions, from 25 March to 8 June, we facilitated 20 entirely virtual meetings.

The 20 meetings saw an average of 111 attendees with an overall increase of shareholder participation. NZX 50 companies that held virtual meetings using Link Group's virtual meeting technology saw an overall increase of more than 250% (median 200%).

There is no doubt that virtual meetings have resulted in increased shareholder engagement and participation while driving down costs and will remain an attractive option for companies in the future.



Link Group Meeting Snapshot

### Evolve Special Shareholder Meeting case study

Evolve Education Group Limited (Evolve) undertook a Special Shareholders Meeting to ratify the placement of shares in 2019. The Notice of Meeting was sent to all shareholders on Monday, 9 March 2020 with the meeting to be held in Auckland, New Zealand on Thursday, 26 March 2020.

On Monday, 23 March 2020, the New Zealand government announced a nationwide lockdown in effect from midnight on Wednesday, 25 March 2020 due to the COVID-19 pandemic.

Due to the restriction on gatherings, imposed by the nationwide lockdown, Evolve was unable to continue holding their Special Shareholder Meeting in person.

A new Notice of Meeting (NOM) was issued by Evolve on 24 March 2020 informing shareholders the meeting would now be held online only, via Link Group's virtual meeting platform. The NOM was distributed via email to shareholders and an SMS message was also sent.

Within 48 hours, we assisted Evolve with conducting the shareholder meeting entirely online. All board members and senior management were able to participate in the meeting in real time from their homes in 4 different cities in Australia and New Zealand.

On Thursday, 26 March 2020, despite New Zealand being in a state of emergency, 1.6% of shareholders on Evolve's register attended the meeting, greatly exceeding the average attendance (0.2%) of Evolve shareholders. This included shareholders from both New Zealand and Australia.

Link Group delivered the solution, leveraging its unique proprietary virtual meeting platform and best-in-class audio visual production partners.

The virtual meeting platform allowed shareholders to participate in the meeting remotely, including voting and asking questions. The virtual meeting included a presentation from the chair and appearances from all board members.

This was the first ever fully virtual shareholder meeting in Australia and New Zealand.

## Spotlight on: United Kingdom

Anticipation for the UK at the start of 2020 was for an unremarkable AGM season and in keeping with what had happened previously; to retain the status quo. However, the UK Government announcement on 23 March outlining social distancing measures (effective 26 March), ended any thoughts of normality for the impending AGM season.

### **So, how did the UK AGM season play out?**

Disappointingly for many shareholders, AGMs could no longer be the usual ‘meet and greet’ affair with almost all meetings on or after 26 March being restricted to the absolute minimum quorum required. This meant that companies held their usual AGM behind closed doors with only the proxy positions available to influence the outcome of the resolutions. In the early days of social distancing, even behind closed doors was not possible for some companies with some resorting to holding the meeting in motorway service stations or at private residences where the quorum could observe appropriate distancing.

In the UK at least, the principal reason for the lack of digital meetings taking over from the physical rests on a legal point relating to a single word found in most companies’ Articles of Association. That word is ‘place’. Most companies have a clause dictating that the shareholder meeting will be held at such a place and date/time etc. as per the notice of meeting. Whilst the term ‘place’ arguably does not restrict the holding of a hybrid meeting, it certainly does when it comes to virtual considerations.

The UK government recognised early in the lockdown that there were a number of issues for many companies to overcome and its stated objective was to put legislation into place to provide flexibility in the provision of company meetings, both physically and digitally. That legislation, the Corporate Insolvency and Governance Bill, did not come into force until three months after social distancing requirements were announced, on 26 June 2020. Fortunately, the legislation, expiring on 30 September 2020 – unless extended, carries retrospective authority for companies to rely on.

### **So while shareholders were not able to attend meetings, they certainly didn’t go unheard.**

Our analysis shows an increase in capital voting up from 48% in the first half of 2019 to 61% in the same period for 2020. Digital proxy voting overtook physical voting for the first time with 52% of all proxies lodged via digital channels. These submissions represented over 78% of the votes cast.

Companies also used the opportunity to future proof their Articles of Association. For example, within the FTSE100 constituency, 10% of the companies put forward resolutions regarding hybrid or virtual meetings for the future with only one receiving negative shareholder feedback.

26% of the constituency have not yet held their AGM in 2020 and 16% already have the requisite authority in place for some form of digital shareholder meeting. It is clear therefore that there remains a growing trend in the UK for the digitisation of the AGM, with Link Group more than prepared to assist our issuer clients with their shareholder meeting needs now and in the future.

## The Future of General Meetings

### Jai Baker (Head of Industry, Corporate Markets)

Jai Baker, head of industry for corporate markets at Link Group, stated that while “many may mourn the passing of the AGM and its stale tea and coffee served with soggy biscuits offered as refreshments”, it is time for companies and shareholders to embrace a change in annual meetings — and to accept a shift online.

Provisional stats for 2020 suggest an increase in shares being voted this year, despite the lockdown. In the UK, about 64% of share capital has been voted this year, compared to 48% in 2019, according to Link Group’s analysis of 340 general meetings. It also found a 17% rise in votes made electronically and a 12% decline in paper votes.

**“The days of the traditional shareholder meeting might now be over, or at least in the medium term, but what will be born out of the AGM demise will be a leaner more inclusive environment for shareholders to hold their boards to account”.**

This is an excerpt from a Financial Times article.  
To read the full article [click here](#).

*(You may need a subscription to view this)*



# Spotlight on: Germany

## Delivering the first virtual AGM in Germany in just five weeks

Since the start of COVID-19, industries around the globe have had to adapt to new ways of working. Link Group has been there to support our clients, whatever their needs or requirements. Across Germany, Luxembourg and Austria we led the way with innovation to ensure our clients' shareholders remained safe and connected.

Link Group was the first to conduct a truly virtual AGM in Germany. In early March, it was announced in Germany that all physical AGMs would be postponed until at least the second half 2020. To prepare for virtual AGMs, a new law was introduced in late March because of the level of urgency.

We received our first request for a virtual AGM to take place in May which gave us just five weeks to create a secure and easy-to-use online portal that shareholders could access in place of the traditional AGM.

Our whole business model had to change, and our team worked around the clock, seven days a week, to meet our first deadline. With the help of a trusted partner, we successfully created a flexible online portal that adhered to the new law. It was developed for our range of clients, including cooperatives, associations and multiple insurance associations.

IT security and our data centre became more crucial than ever. We completed the data security risk analysis and penetration test with the help of renowned IT-security company, SEC Consult, in ten days. This confirmed that our portal was secure for our clients' shareholders and proxies.

By early May we were ready for our first fully-virtual AGM for Comdirect Bank AG, a subsidiary of Commerzbank. Shareholders accessed the portal using their individual user login. Here, they could see their rights, be granted proxy rights, and ask questions up until two days before the AGM.

On the day of the AGM, the portal was fully prepared with need-to-know data, such as capital numbers and shares. Dedicated team members checked the internet connection was working securely, and caught up with the management board so that everyone was comfortable prior to the event.

Our portal is unique because it is designed to meet the specific needs of the client. We adapt the design to the client's unique branding and messaging. We believe in providing our clients and their shareholders with security, stability and consistency.

**'Although the preparation time for our first virtual general meeting - one of the first in Germany - was very short, the Link Group AGM team in Munich did a great job delivering a tailored software and security solution for a seamless virtual general meeting on May 5, 2020'**

Michael Eitenbenz – Project manager AGM comdirect bank AG a subsidiary of Comdirect Bank AG



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