



1 March 2021

Mr Mark Fitt  
Committee Secretary  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Mr Fitt

Insurance Australia Group Limited (**IAG**) is pleased to have the opportunity to comment on Schedule 1 to the *Treasury Laws Amendment (2021 Measures No. 1) Bill 2021 (Exposure Draft)*.

IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand. Our businesses underwrite over \$12 billion of premium per annum, selling insurance under leading brands, including: (a) NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (in Australia); and (b) NZI, State, AMI and Lumley (in New Zealand).

IAG's interest in the Exposure Draft is driven by our large, predominantly retail shareholder register. As at 31 December 2020, IAG has circa 642,000 ordinary shareholders.

The Exposure Draft provides for a six-month extension to 16 September 2021 of the current measures that allow virtual meetings, electronic signing of company documents and electronic provision of meeting materials. It is proposed that these measures (other than virtual meetings) will be made permanent by that sunset date.

IAG is broadly supportive of the Exposure Draft as it provides companies with flexibility to determine the most appropriate way to hold meetings and distribute meeting materials. However, in IAG's view, the proposed sunset date of 16 September 2021 should instead be 31 December 2021 for the following reasons:

- 1 The absence of a legally binding requirement for the relevant measures to be made permanent by 16 September 2021 creates uncertainty for companies planning for their 2021 AGMs.
- 2 Without further reform, companies proposing to hold AGMs after 16 September 2021 will be required to hold a physical meeting. This raises several issues including:
  - (a) Although the COVID-19 situation will hopefully stabilise across Australia, already in Australia this year we have seen further public health and travel restrictions limiting face-to-face gatherings in 2021. Removing the availability of virtual meetings unduly constrains companies seeking to manage the ongoing COVID-19 environment as part of their AGM planning process, which typically begins early in the calendar year.
  - (b) Companies with a 30 June reporting date will face different requirements (as to physical or virtual meetings) depending on whether the date scheduled for their AGM is before or after 16 September 2021. We cannot see a sound basis for applying different regimes for companies that have the same reporting date and are required to hold their AGMs within the same 5-month period.



- (c) As set out in our November 2020 submission (enclosed as Appendix A), there are material benefits associated with virtual meetings, including cost efficiencies and improved participation for directors, shareholders and other stakeholders, who may be based in multiple different locations. While we acknowledge the flexibility of being able to hold AGMs virtually, as noted in our earlier submission, IAG currently has no plans to implement virtual meetings (unless there is health advice to the contrary).
- 3 Companies proposing to release meeting materials after 16 September 2021 will need to do so by post if permanent measures are not effective by that date. This gives rise to the following concerns:
- (a) Listed companies are required to provide members with at least 28 days' clear notice of a shareholder meeting under the Corporations Act. IAG's 2021 AGM is scheduled for 22 October 2021. This means that the deadline for IAG shareholders to receive the notice of meeting is 23 September 2021. Uncertainty around whether sending meeting materials electronically is permitted after 16 September 2021 means IAG is likely to provide notice through electronic means earlier than the statutory deadline. Doing otherwise carries the risk of needing to urgently arrange for printing and dispatch of hard copy meeting materials to satisfy the minimum notice period.
- (b) Other companies with AGMs scheduled from October to December will face similar challenges and may incur additional costs as a result. These costs would include costs associated with early release of the notice of meeting or the costs of printing and mail-out at short notice. We note this was the rationale for remaking the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020 with stakeholders commenting that many companies would typically hold their AGMs between when the first instrument was due to expire (being 6 November 2020) and the end of the 2020.
- (c) Inconsistent outcomes and shareholder confusion may result if companies are required to mail hard copy supplementary meeting materials after 16 September 2021, in circumstances where the original notice of meeting was sent electronically. This might occur, for example, where an addendum is required to respond to shareholder-requisitioned resolutions or to address other new developments.

While IAG welcomes the proposals in the Exposure Draft, it strongly recommends deferring the proposed sunset date from 16 September to 31 December 2021. The deferral reduces uncertainty in AGM planning and avoids arbitrary and differential outcomes for companies that would otherwise be subject to the same legal requirements.

Yours sincerely

Peter Horton  
Group General Counsel



**Annexure A**

**IAG's submission to the consultation on Schedule 1 to the *Corporations Amendment (Virtual Meetings and Electronic Communications) Bill 2020* and supporting explanatory materials**



2 November 2020

Manager  
Market Conduct Division  
The Treasury  
Langton Crescent  
Parkes ACT 2600

Submitted by email

Insurance Australia Group Limited (**IAG**) welcomes the opportunity to comment on Schedule 1 to the Corporations Amendment (Virtual Meetings and Electronic Communications) Bill 2020 (**Exposure Draft**) and explanatory materials (**Explanatory Materials**) to the Exposure Draft.

IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand. Our businesses underwrite over \$12 billion of premium per annum, selling insurance under many leading brands, including: NRMA Insurance, CGU, SGIO, SGIC, Swann Insurance and WFI (in Australia); and NZI, State, AMI and Lumley (in New Zealand).

With more than 8.5 million customers and information on the majority of motor vehicles and domestic residences in our markets, we use our leadership position to understand and provide world-leading customer experiences, making communities safer and more resilient for the future.

Our purpose is to “make your world a safer place”. We recognise that our role extends beyond transferring risk and paying claims. Our purpose drives our business to work collaboratively with communities to understand, reduce and avoid risk, and to build resilience and preparedness. This results in better outcomes for the community and means fewer claims and lower costs for our business.

IAG’s interest in the Exposure Draft is driven by our large, predominantly retail shareholder register. As at 7 July 2020, IAG had a total of 643,871 ordinary shareholders.

IAG is supportive of reform that seeks to maintain a balance between the need to facilitate shareholder participation against the need to manage the associated costs to companies.

Yours sincerely

Peter Horton  
Group General Counsel



## **Overview**

IAG supports amendments to the *Corporations Act 2001* (Cth) (**Corporations Act**) as set out in the Exposure Draft that allows companies to execute documents, hold meetings, provide notices relating to meetings and keep minutes using electronic means or alternative technologies.

In particular, we believe the use of modern technologies to hold directors' meetings, execute company documents and give documents relating to meetings has the potential to deliver greater efficiencies and savings for industry.

In our submission, we have made one recommendation relating to the execution of company documents that we believe will provide greater certainty around how these laws are intended to operate. We have also added some commentary showing our support for virtual directors' meetings and the manner in which documents relating to meetings may be given.

## **Execution of company documents**

Paragraph 1.12 of the Explanatory Materials states "the director or secretary may receive and sign an electronic copy of the document if three conditions are satisfied". The third condition requires "the person [to] identify themselves and indicate their intention using a method that is as *reliable* [emphasis added] as appropriate for the purposes for which the company is executing the document or proven in fact to have indicated the person's *identity* [emphasis added] and intention".

IAG uses a cloud-based platform, known as 'DocuSign', to execute documents electronically. It has been noted that the reliability and identification requirements should generally easily apply to documents signed through platforms, such as DocuSign.<sup>1</sup>

However, given the *Electronic Transactions Act 1999* (Cth) was introduced in a pre-DocuSign-type platform era, we believe it would be helpful for the Corporations Act to specifically permit the use of such technologies in the execution of electronic copies of documents. As such, we would recommend words to the following effect be inserted into section 127 of the Corporations Act:

*For the avoidance of doubt, the requirements in paragraphs (3B)(c), (3B)(d) and (3B)(e) may be satisfied through identification, authentication and/or other relevant requirements implemented through an online or cloud-based electronic signing platform.*

## **Virtual meetings**

We believe using electronic means to hold directors' meetings (and presumably Board Committee meetings) is a positive and welcome change. And when combined with the ability to execute company documents electronically, it will deliver great efficiencies and cost

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<sup>1</sup> Diccon Loxton, 'Not Worth the Paper They're not Written on? Executing Documents (Including Deeds) Under Electronic Documentation Platforms: Part A' (2017) 91 *Australian Law Journal* 133, 149.



savings for industry. This is particularly the case for many Australian companies where Board members are located in various jurisdictions, including internationally.

While we acknowledge the flexibility of being able to hold AGMs virtually, IAG currently has no plans to implement virtual meetings (unless there is health advice to the contrary).

### ***Notice of meeting***

In the absence of the temporary modifications to the Corporations Act, IAG is required to send printed notices of meetings to those shareholders who have not elected to receive meeting materials electronically. For IAG's 2019 AGM, we distributed approximately 446,000 printed copies.

This year we benefitted from the temporary modifications that allowed us to send a short-form printed AGM Access Notice (versus a printed notice of meeting in its entirety) that advised our shareholders where the meeting materials could be viewed on the company's website. Attached to this submission (marked 'Annexure A') is a sample of that Notice.

Overall, 55.44% of IAG's issued capital was voted at this year's AGM, an increase on the 52.45% that was voted last year, indicating participation in the business of the meeting was not affected by the change to the method of access of meeting materials. In these circumstances, we believe the significant costs and environmental impacts associated with printing and distributing hard copy notices of meetings to such a large number of shareholders is not warranted.

As such, we support making permanent the temporary modifications that will allow us to repeat this year's process and send a short-form printed notice of access to shareholders who have not elected to receive meeting materials electronically, providing information about where to find meeting materials on the company's website.



**Annexure A**  
**2020 IAG AGM Access Notice**



## NEED ASSISTANCE?



**Phone:**

1300 360 688 (inside Australia)  
+61 3 9415 4210 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

**For your proxy appointment to be effective it must be received by 10:00am (Sydney time) Wednesday, 21 October 2020.**

# INSURANCE AUSTRALIA GROUP LIMITED ANNUAL GENERAL MEETING

## IMPORTANT INFORMATION ABOUT IAG'S 2020 ANNUAL GENERAL MEETING

In light of the coronavirus pandemic and in keeping with our purpose – to make your world a safer place – this year's Insurance Australia Group Limited (**IAG**) Annual General Meeting (**AGM**) will be conducted virtually through the online AGM platform at [web.lumiagm.com](http://web.lumiagm.com)

The Australian Government has temporarily modified the *Corporations Act 2001* to permit virtual AGMs, and for Notices of Meeting and other AGM materials to be provided online to shareholders.

**All the information you need to participate in our 2020 AGM, including how to access the Notice of Meeting and how to lodge your voting form and shareholder questions, is contained in this notice.**

## MEETING DETAILS

IAG's 2020 AGM is being held virtually on Friday, 23 October 2020 starting at 10:00am (Sydney time).

## HOW SHAREHOLDERS CAN PARTICIPATE IN THE AGM

### To participate **online** you will need to:

- visit [web.lumiagm.com](http://web.lumiagm.com);
- type in IAG's meeting number, which is 384962274;
- select the Securityholder or Proxy button;
- type in your SRN/HIN (which is set out in the box to the right); and
- type in your postcode.

If you log in to the online meeting on 23 October 2020 as a shareholder, you will be able to view a live webcast of the meeting, ask the Directors questions online, and submit your vote in real time.

### You can access the meeting using your smartphone, tablet or computer:

You will need the latest version of a compatible browser such as Chrome, Safari, Internet Explorer, Edge or Firefox to access the website.

Further instructions on how to participate online are set out in the online meeting user guide available at: [www.iag.com.au/shareholder-centre/annual-meetings](http://www.iag.com.au/shareholder-centre/annual-meetings)

### To participate via **teleconference** you will need to:

- use any landline or mobile device;
- dial this phone number 1800 455 963 or 1800 908 299 (Australia) or 0800 452 795 (New Zealand);
- when prompted, enter the meeting code which is 10009761.

## ACCESS THE MEETING DOCUMENTS AND LODGE YOUR VOTE ONLINE

You can access the meeting documents and lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) or by using your mobile device to scan the personalised QR code below.

You will need your secure Control number and Holder number, set out below.



**Control Number: 999999**

**SRN/HIN: I999999999**

For Intermediary Online subscribers (custodians) use [www.intermediaryonline.com](http://www.intermediaryonline.com)



**PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential**

Further details on how to participate in the meeting are on the reverse of this page.



**To vote in advance of the meeting:**

You can vote on the resolutions being put to the meeting anytime between now and 10:00am on 21 October 2020, by following the instructions set out in the box on the front of this page. You will need to:

- type in the Control number provided; and
- type in your SRN/HIN when prompted.

**To ask questions before the AGM**

As in past years, we encourage shareholders to ask questions in advance of the AGM. If you would like to ask a question ahead of the meeting, you can do this:

- online at [www.investorvote.com.au](http://www.investorvote.com.au);
- by printing off a copy of the question form available at [www.iag.com.au/shareholder-centre/annual-meetings](http://www.iag.com.au/shareholder-centre/annual-meetings) and mailing or faxing this to the address shown overleaf; or
- by emailing your questions to: [investor.relations@iag.com.au](mailto:investor.relations@iag.com.au)

Please note that responses will not be provided to individual shareholders, but answers to the most commonly-asked questions will be posted to IAG's website at: [www.iag.com.au/shareholder-centre/annual-meetings](http://www.iag.com.au/shareholder-centre/annual-meetings).

**WATCH THE AGM AS A GUEST**

You can also watch the meeting as a guest. Simply visit [web.lumiagm.com](http://web.lumiagm.com) and type in IAG's meeting number, which is 384962274.

Note: you cannot ask questions or vote during the meeting if you register as a guest.

**You can access the meeting using your smartphone, tablet or computer:**

You will need the latest version of a compatible browser such as Chrome, Safari, Internet Explorer, Edge or Firefox to access the website.