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NEWS

Conversation with Lucy Laakso – Cromwell Property Group

Funds Management partner Langton Clarke talks to Cromwell Property Group's Company Secretary and Corporate Counsel Lucy Laakso about securityholder meetings and the changes brought about by COVID-19, and invites Lucy to share some advice for new company secretaries for 'meeting season'. Langton also asks Lucy about the importance of stakeholder engagement with proxy advisors and corporate insurers.

LC *What have been some of the challenges for securityholder meetings since the start of the COVID-19 pandemic?*

LL The uncertainty around lockdowns certainly added a level of complexity but it gave Cromwell the chance to respond to the challenge with continuous improvement measures that are here to stay.

In these COVID-19 times, two years feels like a long time, but if I compare our 2019 AGM (pre-COVID-19) to our AGM to be held in November 2021, they're quite different. In 2019, we had a meeting location at our registered office in Brisbane and no mechanism for online participation. For meetings in 2020, we introduced online participation, and for our 2021 AGM, we've taken the view that a hybrid meeting gives our securityholders and stakeholders the best opportunity for participation.

We understand that many of our longstanding securityholders appreciate the opportunity to attend in Brisbane and, subject to any government restrictions at the time, we are looking forward to welcoming them again this year.

Also, we understand that not everyone's circumstances are the same and we see online participation as providing an additional way to participate in the meeting.

I'm excited about the further development this year (arising out of the Treasury Laws Amendment (2021 Measures No. 1) Act 2021 (Cth)) of offering securityholders the option to ask a question by phone. We recognise the importance of diversity among our securityholders and, as a member of Cromwell's Diversity Leadership Council, I'm very happy Cromwell can offer this additional way for securityholders to express their views.

For all these reasons, I think the pandemic has accelerated improvements for securityholder meetings which is a really positive outcome for securityholders, their companies, and for corporate governance generally.

LC *If you could share one piece of advice with a new company secretary managing their first 'meeting season', what would that be?*

LL Can I let you in on a secret? Meeting season is one of my favourite times of the year! I have a deep commitment to ensuring our securityholders can express their views and therefore I take my responsibility to organise securityholder meetings

very seriously.

My advice is to plan – and then plan some more. I use ‘black hat sessions’: identify all the things that could go wrong – from the simple (empty water jug for the speaker) to the serious (technology outage). Go through the same session with colleagues and with your registry provider because they’ll think of other risks.

Design a solution for every identified scenario. Back in 2019, the ‘serious’ scenario might have been ‘what if a director’s flight is delayed?’ That scenario seems quaint when, in 2021, the ‘serious’ scenario is ‘what if our directors are all in lockdown and can’t attend? What if our meeting location is in lockdown?’ Irrespective of the issue, the formula is the same: ‘if that happens, then we will...’.

And, of course, there can be novel scenarios that arise on the day – deal with them at the time, debrief afterwards, and then add them to your ‘black hat session’ before the next meeting.

LC *Every organisation has several important stakeholders. Which stakeholders do you deal with on a regular basis?*

LL We know that positive and effective stakeholder engagement is critical to Cromwell’s success. I thoroughly enjoy being able to play a role in that. Most recently, I’ve been engaging with proxy advisors following our FY21 results announcement and now in the lead-up to our 2021 AGM.

We recognise that proxy advisors have an important job to do, and we take the time to understand their drivers and policy positions. We seek their feedback and suggestions and, as our 2021 Remuneration Report shows, we have responded to securityholder and stakeholder feedback of recent times. As with any relationship, there will be differing views from time to time. In such cases, we talk through our reasoning for taking the approach we’ve taken and reflect on any further feedback.

I also work closely with Cromwell’s corporate insurers, not just as part of the annual renewal but also on an ongoing basis throughout the year. At Cromwell, we view our relationship with our corporate insurers very much as a strategic partnership, rather than as a purely transactional relationship. It’s critical to have a great broking team to facilitate and foster the strong working relationship between insurer and insured. We arrange for our corporate insurers to have the opportunity to engage with the key contacts at Cromwell – our Chair, the Executive – on a regular basis, and this has promoted very positive, open dialogue.

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