COMPUTERSHARE EMPLOYEE SHARE PLAN SURVEY RESULTS

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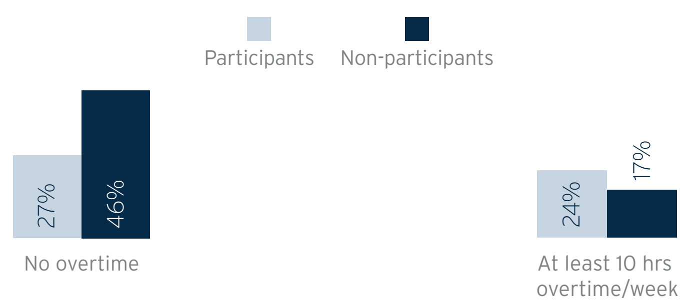
Report Highlights

The results of Computershare's third Employee Share Plan Survey once again clearly highlight the major benefits a company can reap by providing an employee share plan.

Set against a global economic climate which has meant more competition for jobs in recent years, it shows that plan participants stay longer with a company, are less likely overall to leave, work longer hours and take less unplanned absence. They are also more likely than non-participants to say that they are satisfied with their jobs, feel very loyal, share the company's values and view the company as a good place to work. Headline evidence for this is shown below, and all results referenced are statistically significant.

PLAN PARTICIPANTS STAY LONGER WITH THE COMPANY AND WORK LONGER HOURS

- Participants work longer hours than non-participants
- Participants take less unplanned absence
- Participants are less likely to leave the company
- Participants are more motivated
- Participants are more loyal
- In Canada, 52% of participants said that the plan reduced the chance that they would leave the company either 'to a great extent' or 'to some extent', compared with 25% of non-participants
- 55% of Canadian plan participants say that the plan motivates them to some or a great extent; while the benefits are also extended to those who don't join - 27% of non-participants also say they are motivated by the plan
- 69% of participants feel very loyal to the company, compared to 63% of non-participants



NO OVERTIME

46% of non-participants do no overtime, compared with just 27% of participants.

AT LEAST 10 HRS OVERTIME/WEEK

24% of participants do at least 10 hours overtime a week, compared with 17% of non-participants.

UNPLANNED ABSENCE /DAYS

Plan participants take less unplanned absence (2.1 days) compared to non-participants (2.7 days) and take unplanned absence less often.

LOOKING FOR ANOTHER JOB

Plan participants are less likely than non-participants to be looking for another job – 14% compared to 21%.

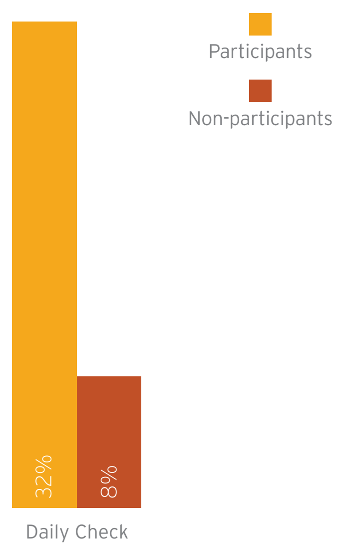
Plan Participants Care More About the Company's Performance

A GOOD SHARE PLAN IS MORE LIKELY TO MAKE PEOPLE JOIN YOUR COMPANY

- An employee share plan makes it more likely an employee will recommend the company to others as a great place to work
- Talented people want to be offered a share plan as part of their package
- A share plan is a highly valued benefit
- 36% of respondents said that a share plan was greatly or somewhat likely to attract talented people to the Company
- 43% of respondents said that the share plan made it more likely they'd recommend the company to others, with the effect much higher for participants (55%) versus non-participants (34%)
- After a company pension, a share plan is the incentive most valued by employees, with 42% of respondents saying it was in their top two and 13% marking it most important

Plan participants are more likely to care about the Company's share price.

Only 10% of plan participants have never checked the share price, compared to 55% of non-participants.



DAILY CHECK

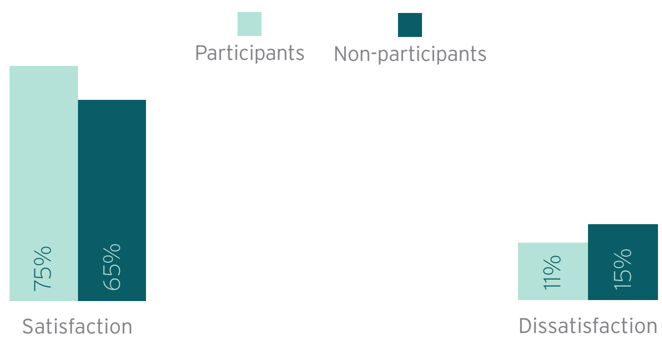
32% of participants check the share price daily, compared with 8% of non-participants. The more shares someone holds, the more likely they are to check the price more regularly.

Plan Participants are Happier and More Motivated

55% of participants agree or strongly agree that their values are similar to the company's, compared to 51% of non-participants, a statistically significant difference.

PLAN PARTICIPANTS ARE MORE LIKELY TO:

- Be satisfied with their jobs
- Think they are paid fairly compared to colleagues
- Think the company is a good place to work
- Share the company's values
- 55% of participants agree or strongly agree that their values are similar to the company's, compared to 51% of non-participants, a statistically significant difference
- 24% of people with no shares at all said they would need a 20% increase in pay to leave the company for a company which did not offer a share plan. Among participants of the plan with at least 2000 shares, this rose to a 33% increase. This underlines the fact that the share plan is a good motivator, even for those who are not participants.



SATISFACTION

Three-quarters of plan participants (75%) say they are very or fairly satisfied with their jobs, compared to 65% of non-participants.

DISSATISFACTION

Participants are also less likely to say they are fairly or very dissatisfied with their jobs – 11% compared to 15% among non-participants.

A GOOD PLACE TO WORK

73% of plan participants agree or strongly agree that the company is a good place to work, compared to 66% of non-participants.

PAY

37% of participants think they are fairly paid, compared to 32% of non-participants.

CONTROLLING FOR DIFFERENCES

Results from the survey suggest an association between plan participation and some particular attitudes and behaviours that might be associated with positive benefits for a company. However, it is possible that those who join the plan would have manifested these attitudes and behaviours in any event. We therefore asked employees whether they thought the plan was linked to outcomes that the company might find desirable. At least two-fifths of employees think the plan has an effect, either to 'some extent' or to 'a great extent' on increasing their motivation, increasing the motivation of others, and recommending the company to others.

DEPTH OF OWNERSHIP

- The more shares someone owns, the less likely they are to take unplanned absences – absences drop from 2.3 days in the last six months for those with fewer than 100 shares, to 1.6 days for those with at least 2,000 shares.
- The longer someone owns shares, the more likely they are to vote them at the company's AGM – 16% of those in their first year of participation voted, compared to 48% of those with five years' plan participation
- The more shares someone owns, the more likely they are to vote – those owning at least 2000 shares were twice as likely to 'always' vote compared with those owning fewer than 100 shares

The more shares someone owns, the greater the behavioural effect of the share plan.

How Companies Can Increase Participation Rates and Depth of Ownership

The positive reasons given for joining should be amplified as benefits in employee communications, in order to maximise the potential for employees to enroll.

The survey also looked at what made employees join or not join the plan. Employees could make multiple selections from a variety of reasons, or specify their own.

PARTICIPATION

Joining

- 75% of participants said that they joined because they thought it would be a good investment
- 50% joined in order to save
- 44% joined because they felt positively about the company
- 1 in 6 people (15%) said that colleague recommendations were important as a re-enforcement to the reasons above. This was more prevalent in Canada and the UK

Not-joining

- 'Affordability' was the most common reason for not joining; cited by 44% of non-participants
- 21% said they invested elsewhere
- 16% said they didn't understand the plan enough to join. This was particularly high amongst new employees, with 24% of those with less than a year's service selecting this option. It was also still evident in employees with more than 10 years' service, with 8% of respondents citing this reason
- 72% of employees who had never been participants said they would join the plan if they could get shares at a 50% discount – which underlines the lack of understanding in some quarters
- 13% said they would 'join shortly'

Education: By targeting employees with effective communications that explain the plan in simple terms it should be possible to convert some of the non-participants and for the company to reap some of the benefits that come with having employees participate in the plan. Selling shares was the least understood facet of the plan – so communicating not only the ease of joining but the process for selling at a future point is important.

Pilot your comms: Testing your communications pieces on a pilot group before you roll them out to the whole company will help to highlight areas you can strengthen and will help to increase your participation rate.

Frequency of Communication: Delivering more frequent reminders of the plan's existence and the enrolment mechanism is important – given the significant percentage of employees who say they will 'join shortly' and who need encouragement to take the plunge.

Respondents were also asked who they discussed the share plan with and whether they were influential in their eventual decision on participation:

- Discussions with fellow workers were both more common and rated as more influential than discussions with supervisors or the HR team
- Outside work, discussions with family and friends were more common and more influential than talking to legal or financial advisors

Colleague Communication: Companies should strongly consider the use of employee advocates in their communications process, both in person and also in written form, such as case studies.

DEPTH OF OWNERSHIP

Regular contribution reviews: Work on a mechanism to get participants to regularly review their contribution – their own personal circumstances may have changed and they can afford to put a little more into the plan – or the local contribution limits may have altered – providing the perfect opportunity to get employees to review the amount they put in each month.

Education: If people don't understand one or more of your plan mechanisms, then they will be more reluctant to join. Making it clear up front how easy selling can be, as well as telling people how to join, could provide participation benefits.

Long term ownership: Depth of ownership increases the positive behavioural effects of a share plan, so devising ways to facilitate long term ownership could be beneficial. This could include things like offering a Vested share Account.

CONCLUSIONS

The Computershare Employee Share Plan Survey continues to provide solid proof of the positive and beneficial links between plan participation and employee behaviour. It offers pointers for plan design and key indicators for successful plan communication.

To learn more about Computershare's Employee Share Plan solution offerings or how to maximize the participation in your plan, please contact us.

About Computershare Limited (CPU)

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, mortgage servicing, proxy solicitation and stakeholder communications. We also specialize in corporate trust, bankruptcy, class action and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments and stakeholder engagement. Many of the world's leading organizations use us to streamline and maximize the value of relationships with their investors, employees, creditors and customers.

Computershare is represented in all major financial markets and has over 12,000 employees worldwide.

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