Computershare | Georgeson

2024 US Annual Meetings Report

An analysis of the 2024 annual meeting season

CERTAINTY | INGENUITY | ADVANTAGE

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Introduction

I am proud that 58% of the S&P 500 companies choose Computershare, as do nearly two thousand small and mid-sized companies, to provide registry and/or corporate governance services.

Ann Bowering
CEO, Issuer Services, North America

During the 2024 annual meeting season, we saw an evolution in the meetings landscape, as companies continued to settle in on the format that works best for their goals and shareholders, and investor behavior in terms of voting and meeting attendance shifted.

On average, 37% of Computershare's US clients hosted virtual meetings during the 2020, 2021 and 2022 annual meeting seasons. However, in the past two years there has been a trend of companies returning to an in-person format. The percentage of virtual meetings declined to 28% in 2023 and held relatively steady at 27% in 2024, roughly a 10% decline from 2021-2022 levels. It is interesting to note that the percentage of companies choosing hybrid meetings remains consistent without correlation to sector or company size. However, company size has a significant correlation to the virtual meeting format, with over 80% of our S&P 100 clients choosing that method.

In managing 330 virtual and hybrid meetings this year, we saw shareholders attending our clients' annual meetings from 145 countries, and our client companies saw anywhere from 0-54,000+ shareholders join their meetings.

We also saw a record-breaking number of shareholder proposals submitted for the third consecutive year, along with several high-profile proxy contests and greater discourse on compensation and the corporate form.

As the corporate climate continues to change, companies will benefit from staying close to annual meetings trends. Computershare is uniquely positioned to provide these insights as it is our privilege to provide registry and governance services to 58% of the S&P 500 companies and nearly two thousand small and mid-sized companies. We hope this report is useful in planning your next board meetings, investor engagements and annual meetings.

SECTION 1

MEETING FORMAT

Introduction

The 2024 season illustrates that many companies continue to evaluate whether to hold their annual shareholder meetings in-person, virtually or using a hybrid format. Traditionally, annual shareholder meetings were mandated to be conducted in-person but for the past few years, advances in technology have offered companies the ability to hold meetings online with secure shareholder voting. The COVID-19 pandemic in 2020 catapulted virtual meetings adoption globally and in the US, to comply with restrictions and to prioritize the health and safety of attendees.

The virtual format presents certain advantages, such as the potential reduction of hosting and travel costs, simplified logistics and lower barriers to shareholder attendance and participation. However, a significant concern voiced by investors and activists is the potential for filtering of meeting questions and issues to avoid controversial topics. For companies, there can be concern over the risk of unpredictable real-time voting results although this is rather rare in practice. Hybrid meetings can provide the best of both worlds by allowing both management teams and shareholders a viable choice of how to attend and participate. However, hosting a hybrid meeting can potentially incur additional cost and present more complex logistics.

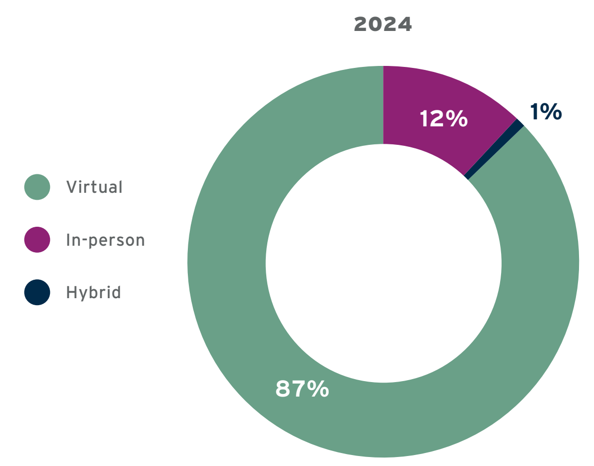
Statistics in this report are based on Computershare US client company annual meetings from July 1, 2023 - June 30, 2024 unless otherwise noted.

MEETING FORMAT

Overview

Computershare data collected clearly shows trends in how our US corporate clients have approached meetings since 2020. Nearly 40% of Computershare's US clients consistently hosted virtual annual meetings during and immediately following the pandemic year: 37% in 2020, 39% in 2021 and 36% in 2022. However, in the past two years there has been a trend of companies returning to an in-person format. The percentage of virtual meetings declined to 28% in 2023 and held relatively steady at 27% in 2024, roughly a 10% decline from 2021-2022 levels.

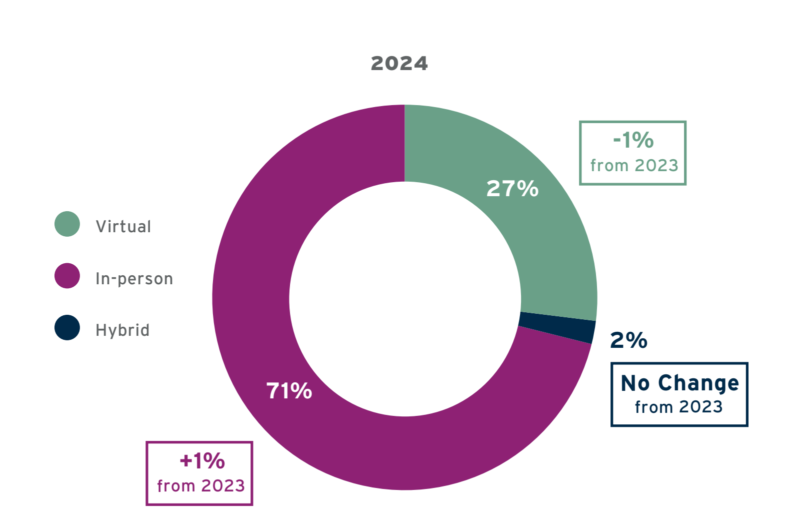
MEETING FORMATS FOR COMPANIES IN THE S&P 100



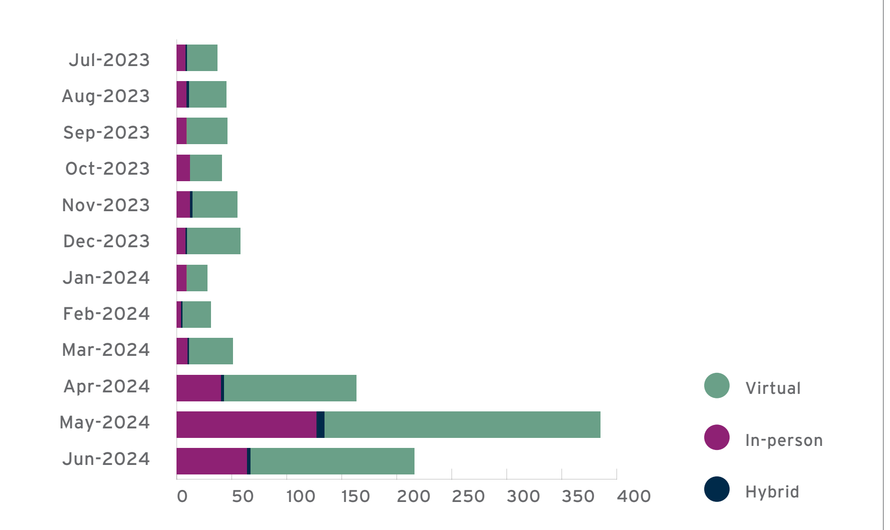
A deeper look at trends for US based company meetings

The 2023 annual meeting season marked a clear return to in-person meetings post-pandemic, and this trend was sustained in 2024. Of the 1,156 meetings that Computershare managed for our clients in 2024, 71% were in-person, 27% were virtual and 2% were hybrid. Differences in meeting format preference appear to rest upon company size and/or business sector.

ANNUAL MEETING FORMAT



COMPUTERSHARE CLIENT COMPANY MEETING FORMAT BY MONTH



Virtual and hybrid meetings: Is virtual here to stay or not?

For companies holding virtual-only or hybrid meetings, there is the perception that this format expands their reach to shareholders and investors who are unlikely/unable to attend an in-person meeting. The data visualization on page 9 provides a strong indication this is indeed a real impact for these meeting formats.

Companies have overcome the learning curve surrounding technology adoption and content production that was present during 2020 and 2021. Greater familiarity and enhanced features have allowed clients to efficiently execute meetings, build on event frameworks, and leverage technology and content delivery to integrate with broader investor relations strategies. Often, our clients feel this format can achieve cohesive investor messaging while more effectively managing the meeting process.

Hybrid meetings are the most complex to execute as they require both a physical meeting and a virtual component. The use of hybrid meetings declined from 3% to 2% from 2022 to 2023 but has remained stable at 2% of all meetings managed for both 2023 and 2024. Despite that, we believe hybrid meetings offered an important option to companies struggling to find a safe solution in the immediate pandemic timeframe of 2020-2022. Subsequently, as clients became more comfortable with both virtual meeting technology and the choice of a return to traditional in-person meetings, the dual effort needed to plan, prepare, and execute hybrid meetings seems to have led some companies not to pursue this method.

Virtual and hybrid meetings: is virtual here to stay or not?

However, hybrid meetings clearly provide expanded participation and voting options for company management teams and their boards as well as shareholders.

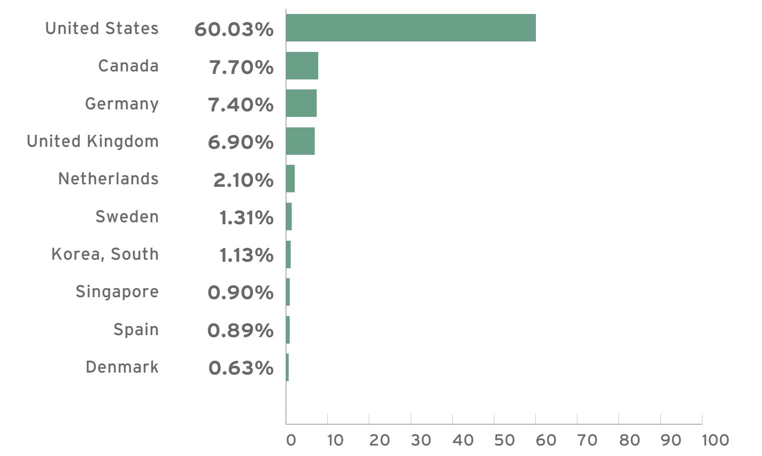
It is interesting to note that the percentage of companies choosing hybrid meeting remains at a consistent percentage without correlation to a particular business sector and appears unrelated to company size. However, company size has a major correlation to the virtual meeting format, with over 80% of our S&P 100 clients choosing that method. Regarding business sector, our data shows that the virtual meeting format is strongly preferred by companies in the Fund, IT, Real Estate/REIT, Travel and Telecom sectors.

There are additional benefits to virtual and hybrid meetings that our clients consider when planning their annual meetings. For example, virtual and/or hybrid meeting formats do not require directors and company staff to travel to a single site and therefore can contribute to a reduction in greenhouse gas emissions, which may be a measurable disclosure for a company's NetZero pledge.

Where in the world are shareholders?

Shareholders joined Computershare-hosted virtual meetings from 145 countries this year. Here are the top 10 countries from which shareholders joined:

PERCENTAGE OF SHAREHOLDERS THAT JOINED COMPUTERSHARE-HOSTED VIRTUAL MEETINGS FROM AROUND THE WORLD



Virtual meeting attendance varies greatly from company to company and year to year. In the 2024 season, Computershare client companies hosted virtual meetings with as few as 0 and as many as 54,000+ attendees.

In-person meetings: traditional or a new normal?

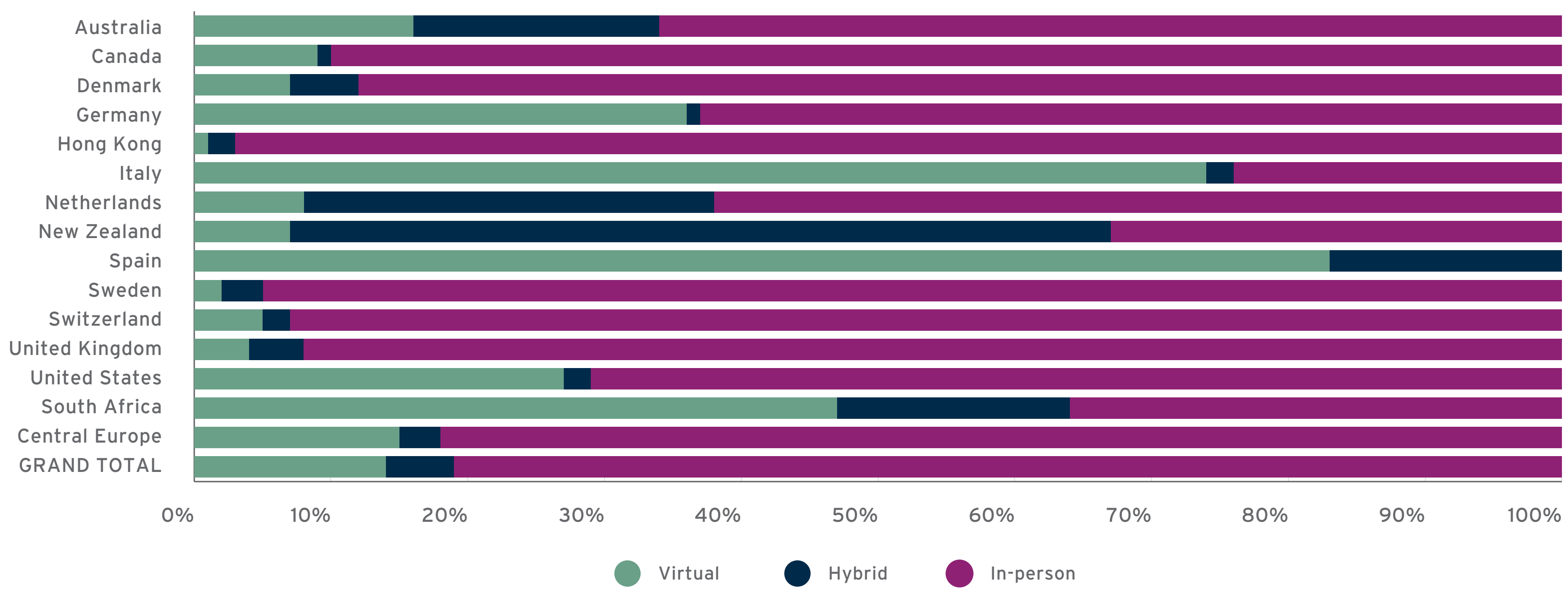
In-person meetings allow companies to directly showcase physical products or to connect to a local/regional community that the company serves. In-person meetings also provide access and visibility when it comes to shareholder discourse and, with a contested election or controversial shareholder proposal, the certainty of proxies received in advance of an in-person meeting can provide more comfort for companies about the projected outcome of votes if shareholders who can attend a meeting virtually are less inclined to vote by proxy in advance. From a company standpoint, this could occasionally make voting results feel less predictable and make it harder to gauge whether the company's solicitation methods are effective or may need to be adjusted. If shares are mainly held by institutions, there is generally little concern about getting the vote, or the right vote, but more about getting final results to file in a timely manner. However, on occasion a company that has individual investors with large-scale holdings may not reach a quorum if those holders do not vote in advance of the meeting date.

Companies who choose the in-person meeting format generally do so because they want to maintain an elevated level of engagement and connection to their shareholders and/or consumers. Computershare's data indicates the in-person meeting format is a strong preference for Banks (particularly community or regional), Consumer Services and Durable Goods producers, as well as certain Energy and Transportation companies.

A global overview of 2024 annual meeting formats

Regulatory and legal requirements regarding shareholder meetings and proxy voting vary considerably by country, and the availability of a choice to utilize a virtual meeting is highly dependent upon legal, jurisdictional and governance practices both on a national level and in relation to smaller provincial and/or state requirements.

GLOBAL OVERVIEW OF 2024 ANNUAL MEETING FORMATS



A global overview of 2024 annual meeting formats

As in 2023, the 2024 season demonstrated that the most popular meeting format globally was in-person. In contrast to the US, many regions showed a higher percentage of companies hosting in-person meetings than virtual or hybrid. This was true in the US, Canada, Denmark, Hong Kong, Sweden, Switzerland, the UK, where 71-97% of companies hosted in-person meetings.

There are a few clear exceptions where deeper analysis indicates considerable variation from country to country, often due to legislative/jurisdictional requirements.

- **Hybrid meetings were by far the most popular choice in New Zealand with over 60% of our clients choosing that route. This format seems to have gained wider acceptance in New Zealand due to a combination of factors: strong policy statement support from the New Zealand Shareholders Association, ongoing supportive corporate legislation and corresponding alignment with corporate constitutions.**
- **Countries where a much higher percentage of companies hosted virtual meetings included Italy (74%), Spain (83%), Germany (37%) and South Africa (47%).**
- **Companies in Hong Kong remain quite traditional with 97% choosing the in-person format. The HK Companies Ordinance 2023 specifically authorizing companies to utilize the virtual or hybrid format went into effect in April 2023 and the process of adoption is slowly progressing.**
- **Germany passed the "Act on the Introduction of Virtual General Meetings" in July 2022 to create a permanent framework for virtual AGMs. Although a welcome guideline for issuers, this change was opposed by many investors and their representatives. Despite those concerns, the use of the virtual meeting format remained relatively close to 2023 levels (3% decrease). There is continued investor demand for hybrid meetings, but the current jurisdictional requirements for this format are perceived by issuers as presenting a high level of legal risk and this seems to be limiting its acceptance level.**

SECTION 2

MEETING PROCEEDINGS

Introduction

Historically, studies have shown that only a small percentage of a company's shareholders attend its annual meeting. Going back several years, this percentage hovered close to 2% but has been drifting downwards over the past 10 years and is currently projected at slightly under 1%. For any individual company, this could vary significantly based upon topics and/or conditions impacting company performance and shareholder engagement. There is some thought that the current number is a bit deceiving because, since the advent of virtual and hybrid meetings, shareholders may attend some company meetings as a 'guest' without registering as a shareholder. These attendees may be shareholders that have voted their shares in advance of the actual meeting.

A 2019 study presented through the Harvard Law School Forum for Corporate Governance demonstrated that retail shareholders do in fact behave differently than institutional holders.

The conclusion of the study summary states "The evidence we present is consistent with the view that retail shareholders play a beneficial role in monitoring, and one that institutional investors may not perfectly replicate. Our results are also consistent with retail voters who weigh costs and expected benefits when choosing whether to cast a ballot. Our results also speak to the potential impact of measures to increase retail shareholder voting. Ultimately, we conclude that in contrast to the common caricature of retail shareholders as uninformed and apathetic, these investors can and do provide meaningful feedback to firms through the voting process."[1]

One advantage of registered shareholders is that they are clearly identifiable and can easily be contacted. As a transfer agent, Computershare has worked diligently to increase shareholder acceptance of email and text messaging contact from issuers as this can be an effective means of engagement.

[1] https://corpgov.law.harvard.edu/2019/11/19/retail-shareholder-participation/

Voting

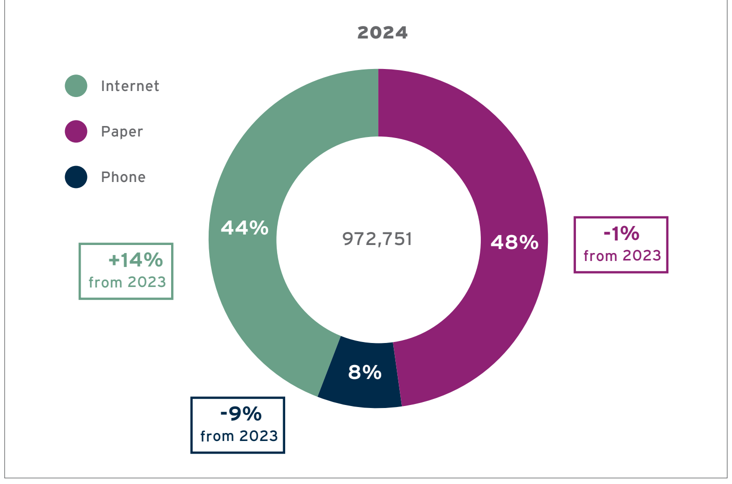
Over time we have seen increase in online voting, which appears to be conversions from phone activity; a substantial percentage of holders still vote via paper.

Of the total of 972,727 votes cast, here are the number and percentage of holders voting via internet, phone or paper:

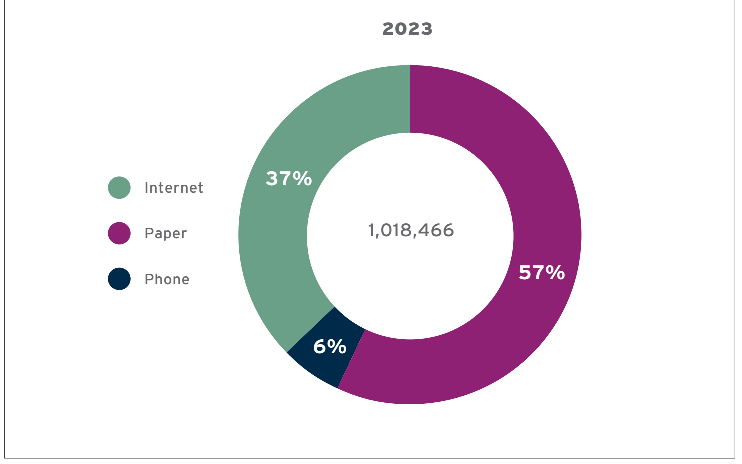
- **Internet 431,371 (44% - a 14% increase from 2023)**
- **Phone 75,212 (8% - a 1% decrease from 2023)**
- **Paper 466,144 (48% - a 9% decrease from 2023)**

There has been a clear shift towards digital methods of voting vs. paper proxies in recent years, particularly in the post-pandemic timeframe. Regardless of meeting format, shareholders have continued to embrace the convenience of secure digital voting methods. In 2024, for the first time, the percentage of votes cast using these methods outnumbered the number of votes received via paper proxy. For several years, Computershare has pioneered edelivery of proxy materials and digital voting for registered holders, working diligently in increase the percentage of shareholders who have consented to online delivery. These efforts help reduce postage and administrative costs, and deliver quick, easy and secure means for shareholders to vote.

2024 VOTES CAST



2023 VOTES CAST



Attendance, Duration, and Video and Audio

MEETING ATTENDANCE

In 2024, Computershare virtual meeting clients in the S&P 100 had 147 attendees on average, relatively consistent as compared to 151 attendees on average in 2023. Clients that offered automated beneficial holder access or guest access saw an increase in meeting attendance, a trend that has been evident over the past three years. The data does not suggest a decrease in attendance at virtual meetings.

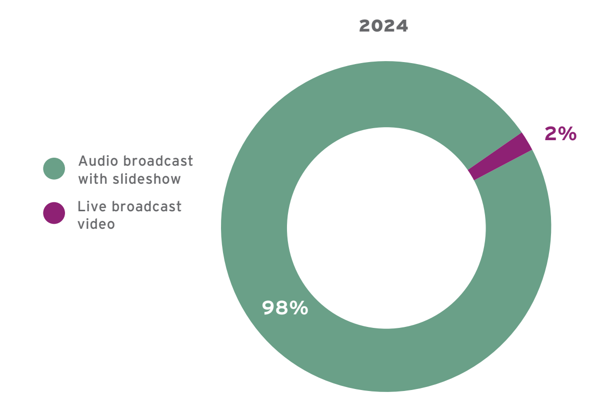
DURATION OF MEETING

Of clients in the S&P 100, virtual meetings lasted 35 minutes on average (a 12-minute drop from the 2023 meeting average). This is usually a result of the number and/or complexity of topics on the meeting agenda and volume of shareholder proposals, or a combination.

VIDEO AND AUDIO

Audio-only virtual meetings were the overwhelming preference among our clients this year, as they are more straightforward to execute. We continue to offer our clients a variety of options, and video may become increasingly important as legislative requirements evolve in the future across various jurisdictions.

PREFERRED MEETING FORMAT



Voice and video for shareholder questions

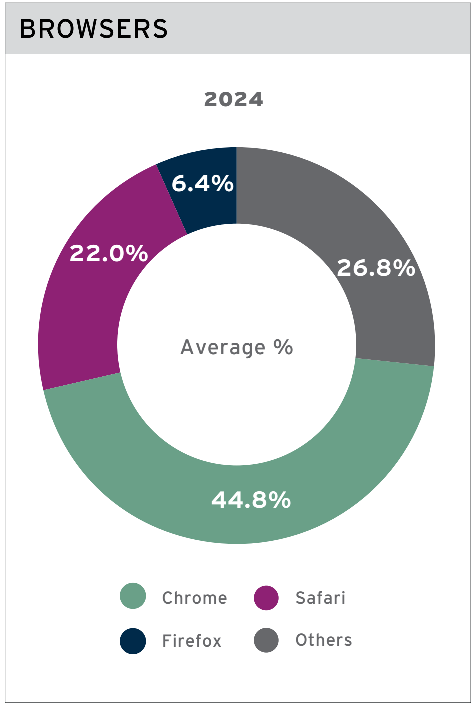
As shareholder participation is a critical component of annual meetings regardless of format, all meetings include a period when attendees can ask questions. Computershare clients in the S&P 100 that held virtual/hybrid meetings received an average of ten questions. For all other clients, the average is considerably lower, and it is not at all uncommon to have no shareholder questions.

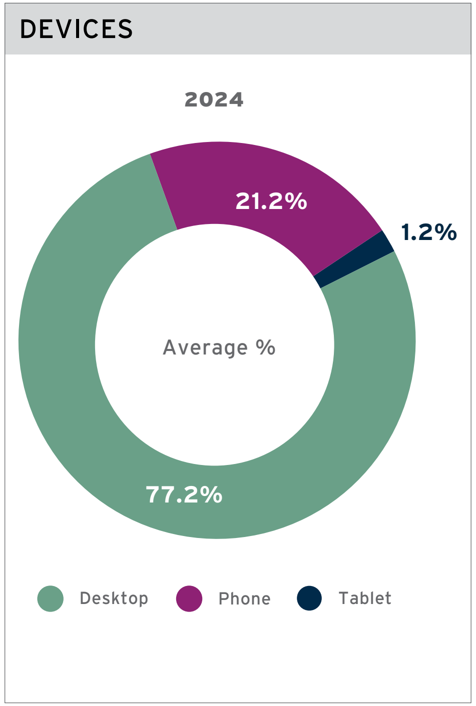
Computershare offers an innovative option to oversee shareholder questions live via phone with a designated call-in number. In the 2024 season, one US client used the designated shareholder call-in number, and received positive feedback from stakeholders across the board. Globally, this capability may become more important in the future as various jurisdictions consider how to fairly replicate the in-person experience, with European regulatory changes regarding video options under discussion. Computershare clients will have access to necessary tools, such as live video Q&A, to meet regulatory requirements.

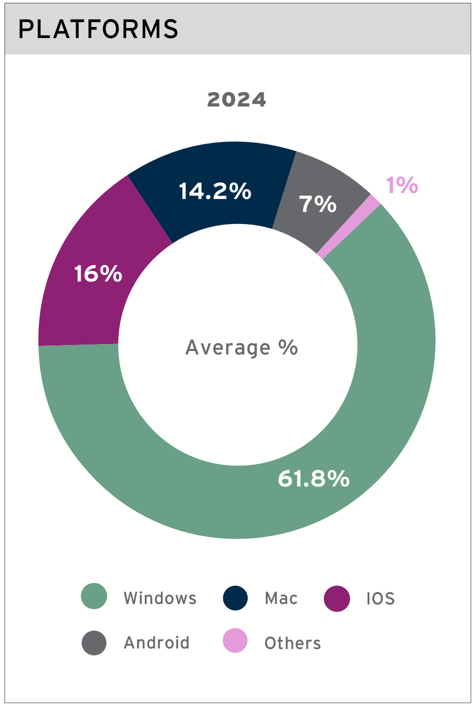
Computershare clients in the S&P 100 that held virtual/hybrid meetings received an average of ten questions.

Meeting access

Shareholders access virtual/hybrid meetings from a variety of browsers, devices and platforms, demonstrating a diversity in shareholder preferences.







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SECTION 3

PROXY SEASON RESULTS AND INSIGHTS

Overview

The number and types of proposals considered at annual meetings during any given season or time period provide a unique insight into trends across the corporate landscape. The 2024 annual meeting season for Director Election, Say-on-Pay, and Shareholder Proposals was extremely dynamic. This included a record-breaking amount of shareholder proposals as well as increased activity in the second full year in the Universal Proxy Card (UPC) era. This section includes high-level analysis for items voted on at Russell 3000 company meetings occurring July 1, 2023, through June 30, 2024. We analyzed the Russell 3000 index as it measures the performance of the largest 3,000 US companies. Because this represents approximately 98% of the investable US equity market, we feel it is a reasonable benchmark.[1] To view the proxy season report, read **Georgeson's 2024 proxy season report.**

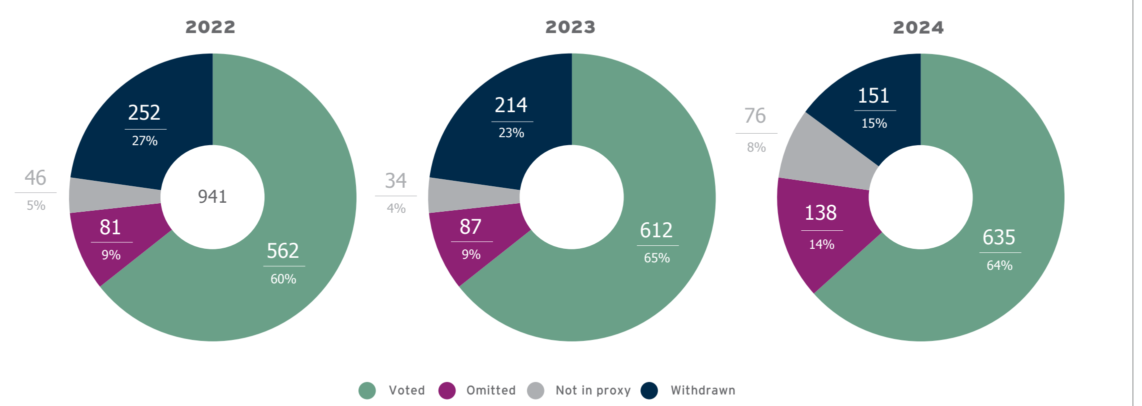
Insights provided by Georgeson, a Computershare company

SHAREHOLDER PROPOSALS

In 2024, a record-breaking 1,000 shareholder proposals were identified and 64% (635) were voted on. Shareholder proposal highlights:

- More received majority support (53 in 2024 vs. 33 in 2023), yet all but three of the proposals that passed were governance proposals.
- This season fewer proposals were withdrawn (15%) compared to last year (23%).
- The SEC has also granted more no-action relief, which contributed to an increase in omitted proposals at 14% (138 out of 1000) compared to 9% (87 out of 947) omitted for the 2023 season. 19 of the granted no-action reliefs related to director resignation policy proposals.

SHP ACTIVITY SURPASSED PREVIOUS YEARS' RECORD



[1] https://research.ftserussell.com/Analytics/FactSheets/Home/DownloadSingleIssue?issueName=US3000USD&isManual=True

Overview

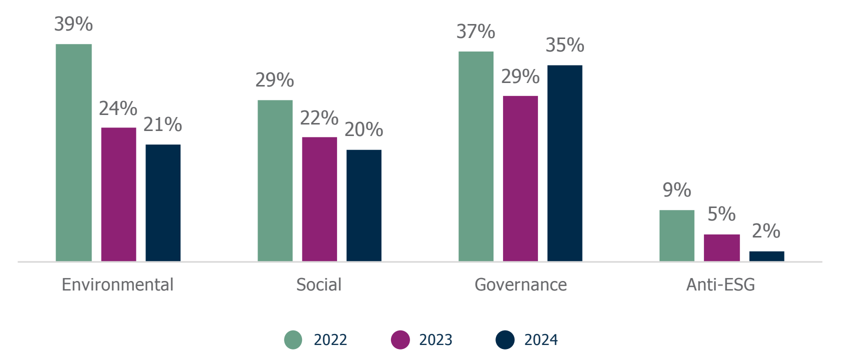
The increase in proposal volume was driven largely by governance and anti-ESG proposals, or proposals filed by individuals or organizations that in some way are opposing company action or reporting on ESG topics. Such proposals have seen a significant increase over the past few seasons and have warranted their own section within this report.

VOLUME OF GOVERNANCE AND ANTI-ESG PROPOSALS CONTRIBUTED MOST TO VOLUME INCREASE

	2022	2023	2024	Change in volume
Environmental	**176**	**180**	**173**	▼ **4%**
Social	**363**	**354**	**336**	▼ **5%**
Governance	**345**	**319**	**377**	▲ **18%**
Anti-ESG	**57**	**94**	**114**	▲ **21%**

Average support for voted environmental and social proposals remained consistent with the decline seen in 2023. However, support and passage rate for governance proposals **rebounded from uncharacteristically weak support during the 2023 season**. Support for anti-ESG proposals has consistently remained in the low single digits and has declined each year.

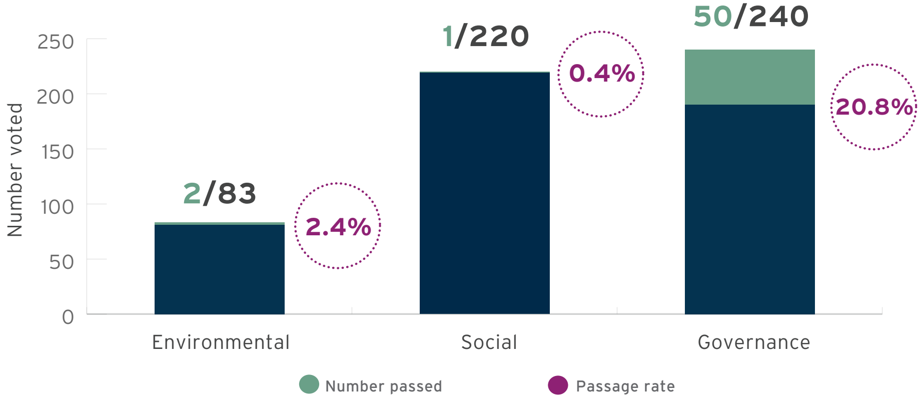
CHANGE IN AVERAGE SUPPORT



Overview

Passage rates for environmental and social proposals in the 2024 season continued to decline with just two environmental proposal passing and one social proposal passing in 2024 compared to four environmental and five social passing in the 2023 season. 50 governance proposals passed in 2024, which surpassed the 24 governance proposals that passed in the 2023 season.

PASSAGE RATE FOR ESG PROPOSALS*

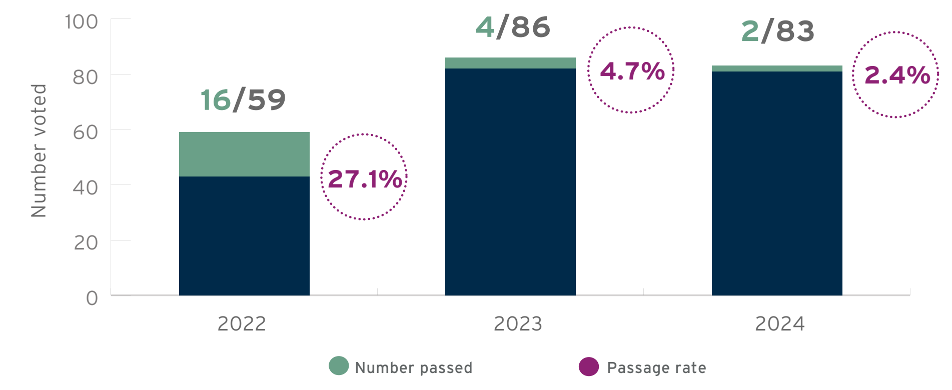


*exludes anti-ESG proposals

Environmental

Environmental topics remain a key focus of shareholder-sponsored proposals in the 2024 proxy season. The total volume of environmental proposals has slightly decreased from last year, with 173 proposals in 2024 compared to 180 in the 2023 proxy season. The percentage of environmental proposals of the total also slightly decreased, but stayed relatively consistent year-over-year, with 17% (173 out of 1,000) and 19% (180 out of 947) for the 2023 season. This similarity in environmental proposals submitted year over year indicates to us that **environmental topics continue to be important to shareholders.**

ENVIRONMENTAL PROPOSALS WITH MAJORITY SUPPORT YOY



Environmental

Of the 173 proposals (not including an additional 15 anti-ESG environmental proposals), 48% (83) went to a vote and 28% (48) were withdrawn. This season there was a decrease in the number of proposals withdrawn, coinciding with a significant drop in support for environmental proposals during the 2023 season. **Withdrawals have continued to decrease over the past few seasons, starting with 59% (103 out of 176) withdrawn in the 2022 season**, decreasing to 42% (76 out of 180) in 2023 and down to 28% (48 out of 173) in 2024. The lower number of withdrawals may be an indication that as issuers see decreasing support for these proposals, they are allowing more proposals to go to a vote rather than negotiating for withdrawals.

Overall, proponents this proxy season are showing interest in similar topics as last season.

The top three topics by number of submissions for 2024 are greenhouse gas (GHG) reduction (scope 1 and 2 only), plastic/sustainable packaging, and GHG reduction that includes scope 3.

A new and notable environmental topic in 2024 has been biodiversity (13 proposals) which we believe is a reflection of investors' growing interest on this issue, also demonstrated by the September 2023 release of final recommendations from the Taskforce for Nature-related Financial Disclosures (TNFD). Note that environmental proposals submitted by anti-ESG proponents are further explored in the anti-ESG section of this report on page 30.

TOP 10 ENVIRONMENTAL PROPOSALS SUBMISSIONS BY TYPE

RANK	TYPE	2024 VOLUME	YoY VOLUME CHANGE
1	**GHG Reduction – Scope 3**	**40**	▲ **10**
2	**Plastic / Sustainable Packaging**	**25**	▲ **12**
3	**GHG Reduction**	**23**	▲ **7**
4	Emissions Financing	17	▼ 2
5	Climate Change – Lobbying	13	▼ -6
6	Biodiversity	13	▲ 13
7	Climate Change – Risk/Opportunity	10	▼ -1
8	Climate Change – Report	9	▲ 5
9	Plant-Based Alternatives / Healthy Eating	9	▲ 9
10	Environment – Deforestation	5	▼ -4

51% of 173

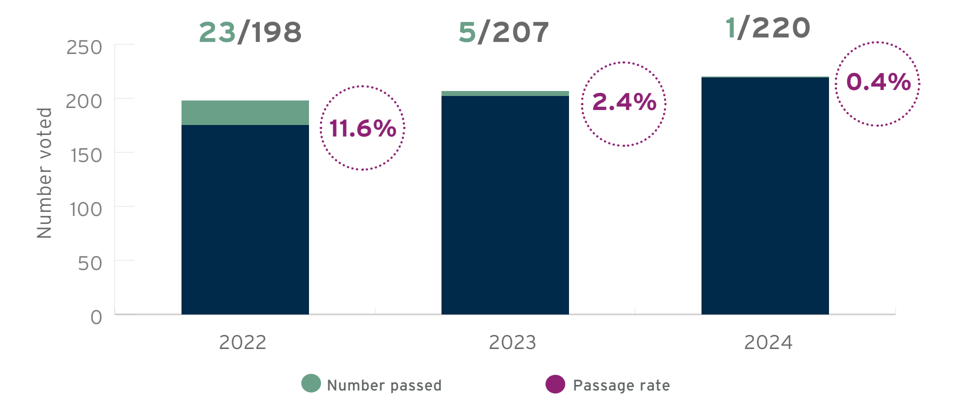
95% of 173

Social

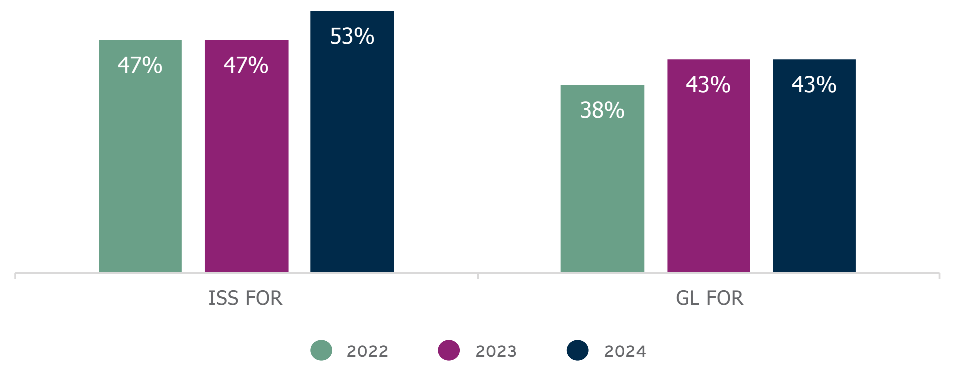
Social proposals made up 34% (336 of 1,000) of all proposals filed in 2024, **which represents a slight decrease from the 37% (354 of 947) of all proposals in the 2023 season**. Significantly, out of the 220 social proposals voted, **one received majority support compared to five in the 2023 season and 23 receiving majority support in the 2022 season**. Considering one proposal passed, it is interesting that **average support for social proposals remained fairly consistent with last season**, at 20% in 2024 compared 22% for the full 2023 season.

One potential reason support has remained at a similar level to 2023, despite no proposals passing, is that ISS recommended FOR more social proposals this season. This may be due to the movement away from the more prescriptive proposals submitted in 2022 and 2023, with 2024 proposals focusing on more general topics. In 2024, ISS recommended FOR 53% (117 of 220) versus 47% of voted social proposals in both the 2023 and 2022 seasons. Glass Lewis recommended FOR less social proposals than ISS, but has stayed consistent year over year, with 43% FOR recommendations in 2023 and 2024.

SOCIAL PROPOSALS WITH MAJORITY SUPPORT YOY



% OF SOCIAL PROPOSALS RECEIVING FOR RECOMMENDATIONS YOY



Social

AI has emerged as a proposal topic and a key focus of proponents this year with 15 proposals submitted in 2024. Notably, these proposals have received the highest average support of all social proposals (19%). These proposals are primarily in the technology and media industries and have coincided with the development of generative AI throughout 2023 and 2024. A majority of these proposals have been filed by organizations affiliated with organized labor.

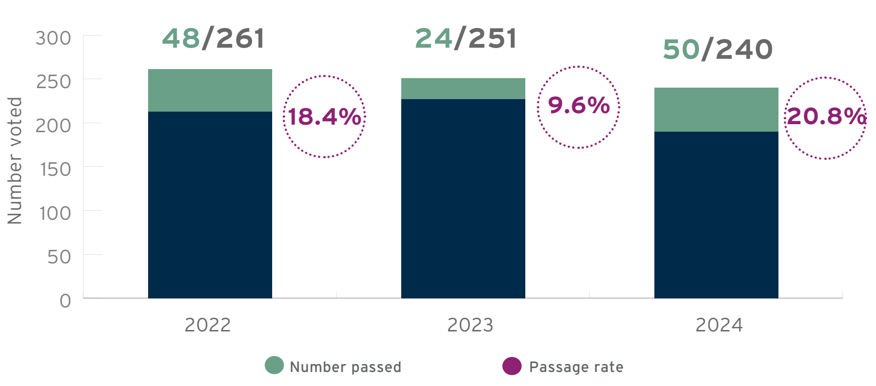
Health and safety also emerged as a novel proposal topic this season, with 15 proposals submitted in 2024 across several different industries including telecom services, transportation, real estate, manufacturing, restaurants, retail and technology. 63% (10 out of 16) of these proposals have been filed by organized labor groups. Average support for the eight health and safety proposals voted in 2024 is 14%. Average support for these proposals varied significantly, with some proposals receiving single digit support while three received average support above 25% (at Sempre, Amazon and Chipotle).

Living wage language has begun to appear more frequently in pay practices proposals in the 2024 season, appearing as a focus of eight proposals in 2024 compared to only one in 2023. Average support for living wage proposals (9%) was lower than pay practices proposals (11%) so far this season. Interestingly, the majority of these proposals have been filed at companies with large domestic workforces, whereas the discussion about living wage has historically been applied to workers in low-income countries.

Governance

The volume of governance proposals increased in 2024 to 38% of all proposals filed (377 out of 1,000) compared to 34% (319 out of 947) in 2023. Of the 377 total governance proposals, 80 were omitted, 45 were withdrawn, and 240 were voted.

GOVERNANCE PROPOSALS WITH MAJORITY SUPPORT YOY

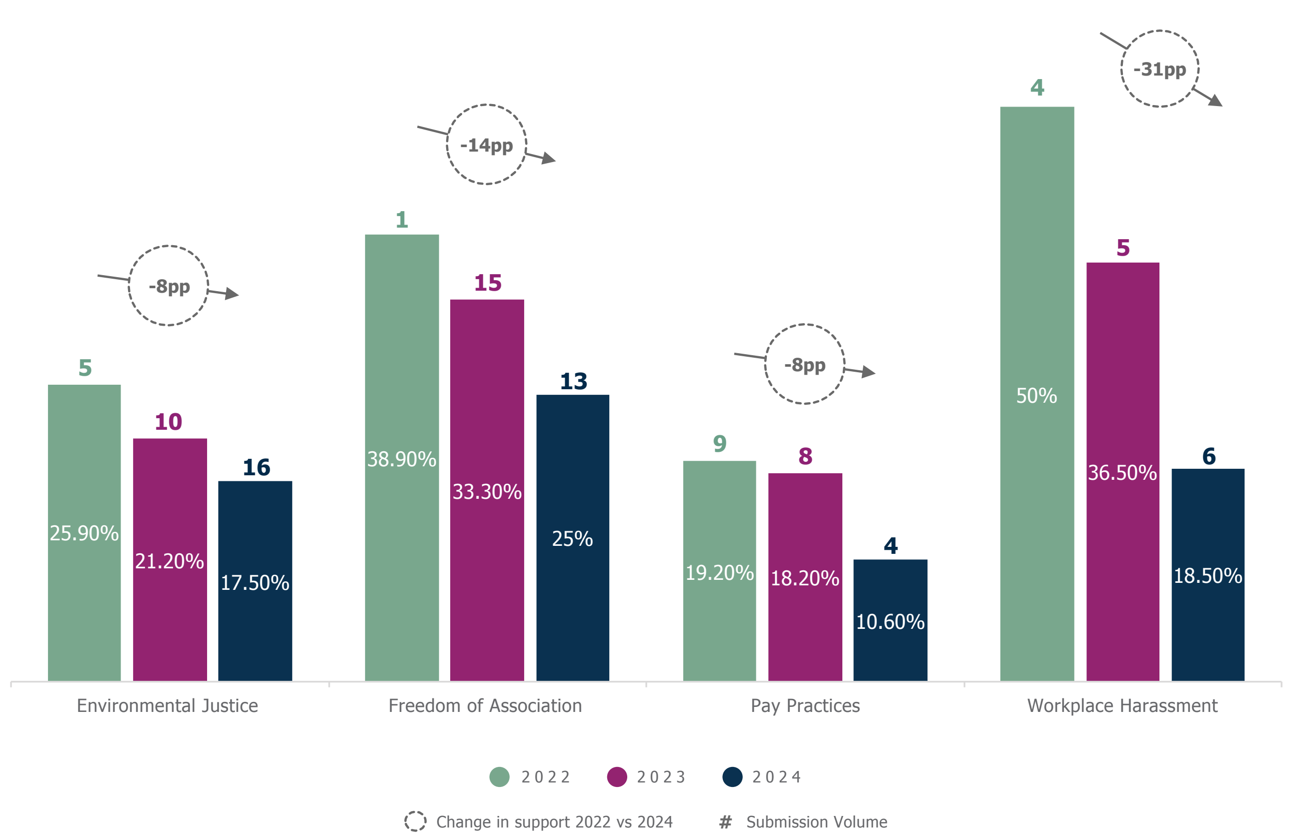


Governance

However, **more than double the amount of governance proposals passed in 2024 compared to 2023** (50 and 24 respectively). The significant increase in passing governance proposals is **driven largely by simple majority proposals. 31 out of 51 simple majority proposals** received majority support, representing over 60% of all passing proposals.

Seven governance proposals subtypes account for over 61% of all governance proposals submitted.

AVERAGE SUPPORT FOR HUMAN CAPITAL MANAGEMENT PROPOSALS YOY



Compensation Proposals

There were 83 proposals related to executive and director severance and compensation (i.e. severance, clawbacks, binding vote on director compensation, ESG metrics, pay ratio, and retention) filed this year. Of those 83 proposals, 39 relate to executive severance payment policy and approach. Average support for the 36 proposals voted is 16%, which **declined significantly since 2022 where average support for such proposals was 48%**.

This decline in average support **correlates with the trend on recommendation FOR such proposals by ISS and Glass Lewis**. During the 2022 and 2023 season both advisors recommended FOR roughly half of voted proposals. In 2024, support decreased significantly as ISS recommended FOR 36% and Glass Lewis FOR 23% of proposals. For the proposals where at least one advisor recommended FOR the proposal average support increased to 22%. Where both recommended FOR the proposal average support was 33%.

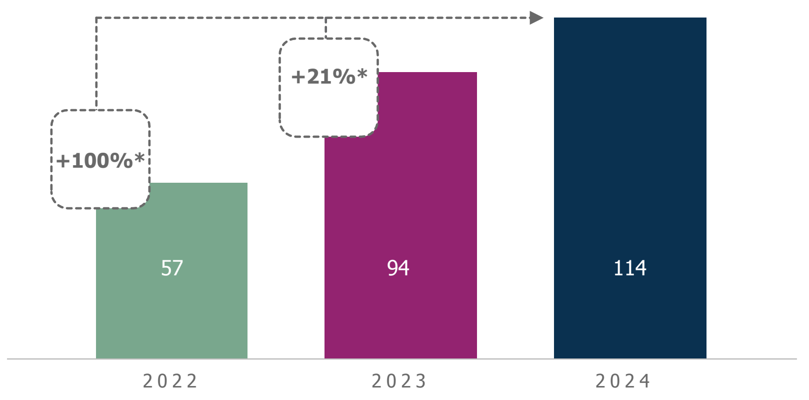
Anti-ESG

Similar to the overall increase in proposals so far this season, **anti-ESG proposals have increased by 21% in 2024 (114 proposals) from 2023** (94 proposals) and have increased by 100% compared to 2022 (57 proposals).

In 2023, 72% (68 out of 94) of anti-ESG proposals were voted, and 81% (92 out of 114) voted in 2024. As in previous seasons, none of these proposals have received majority support, and average support for all anti-ESG proposals continues to be low at 2.5%.

Also, like previous seasons, governance proposals, specifically independent chair proposals, from anti-ESG proponents tend to receive higher support than other anti-ESG proposals. Given this context, it is not surprising that the anti-ESG proposal that received the highest support in 2024 was an independent chair proposal (at Goldman Sachs).

ANTI-ESG PROPOSAL INCREASE



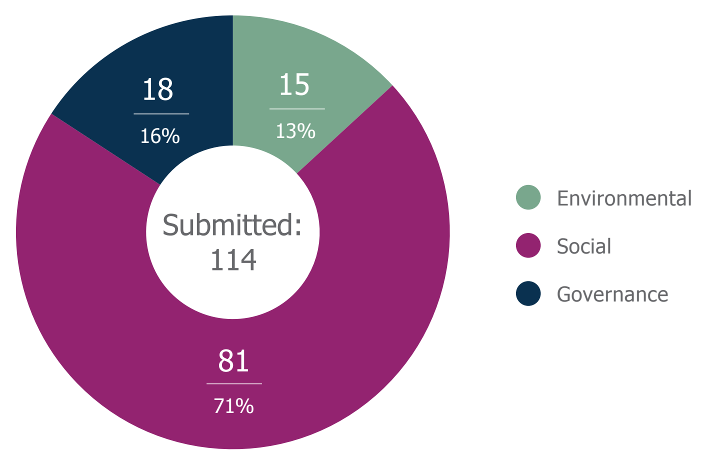
*Compared to 2024

Anti-ESG

Social proposals make up the vast majority, 71% (81 out of 114), of anti-ESG proposals, similar to previous seasons. Such proposal submissions have increased by 21% in 2024 compared to 2023, rising from 67 in 2023 to 81 in 2024.

Environmental anti-ESG proposals have increased by more than 2X (15 in 2024 vs. 6 in 2023), although they still account for only 13% (15 out of 114) of all anti-ESG proposals in 2024. Most of these proposals focus on financial risks associated with decarbonization efforts. Notably, there is a new angle this season from proponents on what is being called "greenwashing risk", or the risks to companies from misrepresentation or fraud associated with setting voluntary carbon reduction targets that are "potentially unfulfillable".

ANTI-ESG PROPOSAL TYPES 2024



Director elections

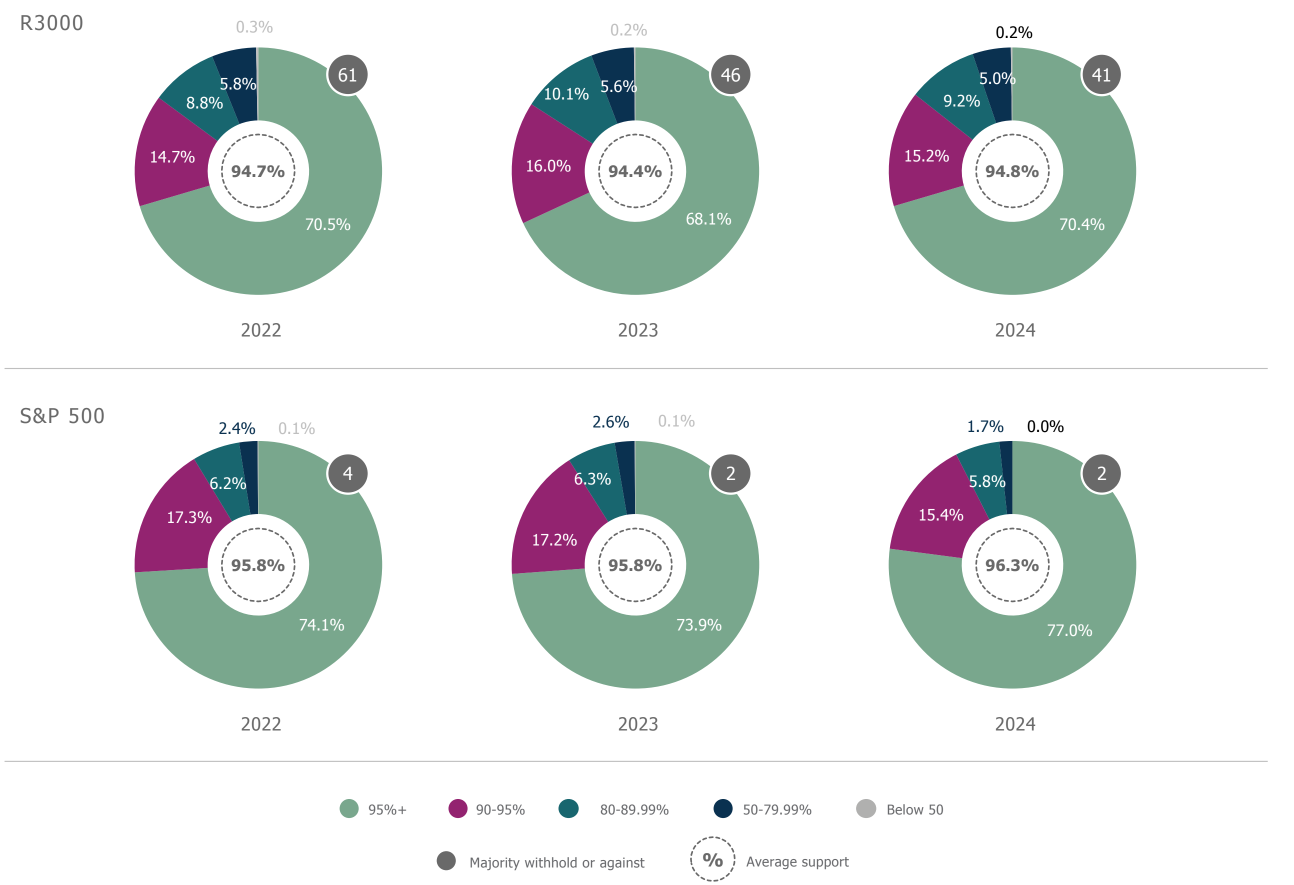
Director election support at Russell 3000 companies continues to be strong, averaging 94.8% for the 2024 proxy season, slightly higher than average support of 94.4% for the 2023 proxy season. When looking at director election results for calendar year 2024 (January 1 through June 30) and comparing it to the same period from last year, average support is 94.9% in 2024, again slightly higher than the 94.5% support in 2023.

While average support has remained consistent, there has been a decline in the number of directors receiving less than 90% support for their (re) election. In the period from January 1 through June 30 of the calendar year, 13.9% of directors in 2024 received less than 90% vote support compared to 15.8% in 2023. Directors at S&P 500 companies, who tend to fare better, averaged 96.3% support for the 2024 proxy season, compared to 95.8% for the 2023 proxy season.

Director elections

For the 2024 proxy season, 41 **director nominees failed to receive at least 50% shareholder support**, with all but two standing for election at non-S&P 500 companies. However, only 6 of these 41 directors failed to get elected due to the existence of a majority vote standard at their company, with the rest getting elected as they served on boards with a plurality vote standard. One company, Aurinia Pharmaceuticals, had four directors fail to get majority support while at TG Therapeutics, there were three such directors. There were six other companies where more than one director received less than majority support, with each having two directors who faced majority opposition. The two directors at S&P 500 companies that received a majority withhold sit on the board of A.O. Smith Corporation.

AVERAGE DIRECTOR SUPPORT 2022 - 2024

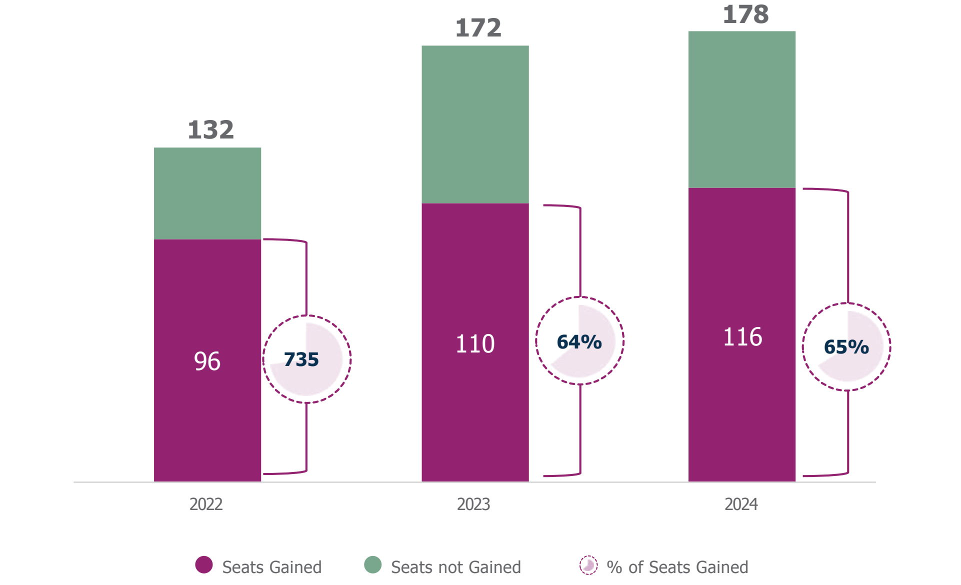


Contested Situations

In absolute terms, **activists have been receiving more seats through settlements after the adoption of the UPC; however, activists in the 2022 proxy season received a greater percentage of seats versus the two proxy seasons in the UPC era**. This decreased percentage of seats received in 2023 and 2024 may have been impacted due to several campaigns where the activist proposed multiple seats and either received a small proportion of those seats through a settlement or did not receive any seats because of the settlements.

Of the 194 settlements researched from 2022 through 2024, **it was very rare that the activist withdrew its demands**. In 2024, there were eight instances where the settlement included an activist withdrawing its demands, of which six of them were closed-end funds. In 2023, there were six instances where the activist settled and withdrew their nominees and only two instances in 2022. All of these were usually in the form of some type of standstill agreement or cooperation agreement.

SEATS PROPOSED VS SEATS GAINED*



*seats gained through settlements

Say-on-Pay

SOP vote results for the 2024 proxy season have **increased in average support** for Russell 3000 companies, with approximately 91.3% of votes cast in favor (excluding abstentions), compared to 90.3% support in the 2023 proxy season. As we have been seeing in recent years, **S&P 500** companies have **garnered slightly lower support**, with approximately 89.8% of votes cast in favor, but are similarly up from 2023 when they received about 88.6% favorable support.

29 Russell 3000 companies failed to receive majority support for their SOP proposals in the 2024, with 24 failed votes occurring since January 1, 2024. Six of these companies are in the S&P 500 index with four failed votes since January 1, 2024. The four S&P 500 companies that failed to receive majority support are Norfolk Southern Corporation, Zebra Technologies Corporation, 3M Company and Salesforce, Inc.

Additionally, 3.9% of Russell 3000 companies in the 2024 proxy season had SOP "red zone" voting results - i.e., vote support falling between 50% and 70%. By comparison, 4.3% of S&P 500 companies had results falling within the "red zone" during the 2024 proxy season.

Say-on-Pay

ISS has issued fewer negative recommendations at Russell 3000 companies in the 2024 calendar year. It opposed 11.2% of the proposals during the period from January 1 through June 30, 2024, compared to 12.0% during the same period in 2023. Negative ISS vote recommendations may have reduced shareholder support by as much as 22% of votes cast at such companies during this period in 2024, less than the 26% impact seen in 2023. ISS has similarly recommended AGAINST a slightly lower percentage of S&P 500 companies during this same period with 7.7% of SOP proposals garnering a negative recommendation, compared to 9.4% for the same period in 2023. The impact of ISS's negative versus favorable recommendation for S&P 500 companies has been 28% in 2024 compared to 34% in 2023.

In instances where there was a quantitative pay-for-performance misalignment, ISS recommended against the SOP proposal if there were qualitative concerns relating to goal rigor of the incentive metrics or lack of disclosure of performance targets, upward discretion exercised under the annual incentive plan which provided for above target level payouts despite below target actual performance, predominantly time-based nature of the long-term incentive plan (LTIP) and/or LTIP period being less than 3-years long. ISS opposed the SOP proposals where there was an increase in pay opportunity or supplemental pay provided to the CEO with non-quantitative goals with ongoing misalignment between pay and performance. Problematic pay provisions at the time of hiring of the CEO or in relation to the retirement of an NEO also resulted in negative recommendations from ISS.

SAY-ON-PAY SUPPORT 2022-2024

SECTION 4

GLOBAL ANNUAL MEETING DEVELOPMENTS

COMPUTERSHARE INSIGHTS FROM AROUND THE WORLD

Australia

Marnie Reid
CEO Investor Services
Australia and New Zealand

Over the last 12 months we have reached consistency regarding meeting format, witnessing little change. While the preference for hybrid meetings is high for ASX100 companies, the in-person format remains the most utilised across all indices, with 65% of our client base choosing this option.

Australian investors pressured issuers to deliver greater returns, while being more astute with capital expenditure and managing their social license to operate. Several major issuers suffered strikes against their remuneration reports as they tried to balance societal expectations, brand integrity and executive pay.

Across the ASX300, there was a near-doubling of remuneration strikes to 41, up from 21 in 2022. The severity of investor protest votes was also notably higher, with 13 companies receiving votes against their Remuneration Reports of over 50%, including three with more than 80% against.

An intense focus is also being directed at cybersecurity and what actions issuers are taking, following some further high-profile incidents during the year and intense scrutiny from the Australian Government and financial regulators.

During FY24, we supported our Australian clients to successfully deliver over 950 meetings, of which 326 were hybrid or virtual meetings.

Canada

Wouter Beerman
Head of Issuer Services
Canada

In 2024, the landscape of annual shareholder meetings in Canada remained consistent, while continuing to reflect broader trends in corporate governance and technology adoption. For Computershare clients, the proportion of virtual/hybrid meetings remained stable at about 10% of total shareholder meetings.

The Canadian Securities Administrators provided updated guidance to support the legal framework for virtual shareholder meetings. This guidance has been important in addressing concerns about shareholder rights and participation, ensuring that virtual meetings offer the same level of engagement as traditional in-person meetings.

During FY24, we supported our Canadian clients to successfully deliver over 1,500 meetings, 161 of which were hosted on Computershare's virtual meeting platform.

Virtual formats have allowed for broader participation democratizing access to corporate governance processes. Additionally, the use of advanced digital platforms has facilitated real-time interaction, enabling shareholders to ask questions and vote on key issues, seamlessly.

Overall, the 2024 shareholder meetings in Canada have been a blend of tradition and innovation. Provided there is no contrary direction from proxy advisory firms, Computershare expects the blend of in-person and virtual meetings will continue in 2025.

Europe

Kirsten van Rooijen
Head of Continental Europe

The 2024 season marks a turning point in terms of focus in the AGM market. The regulatory extensions to permit various AGM formats during the pandemic have finally been implemented across the region. As a result, the (potential) reduction of shareholder rights continues to be a concern for shareholder associations. In fact, in Italy we have seen the Retail Association, Glass Lewis and ISS advise institutional investors to vote against article of association changes that allow for a virtual meeting.

Across Continental Europe in 2024, most companies organised hybrid or physical meetings. In Germany, where live virtual shareholder participation has been made possible, we saw a number of larger DAX companies organise fully virtual meetings, to lower the risk of climate activists at the physical location.

Throughout FY24 we supported our European clients to deliver over 760 meetings, 269 of which were held in either a hybrid or virtual format.

ESG topics, particularly the accountability of board members, have increasing importance for institutional investors as they put more pressure on directors to meet investor expectations. Whilst it is the fourth year of Say on Climate resolutions being put forward, this year we saw the first instance of a Dutch-headquartered company doing so.

The visibility of activist groups at AGMs has slightly decreased compared to last year but this cannot be seen as a continuing trend. We are expecting that the activists will continue to pressure companies into 2025. Companies and their directors, are advised to take activist demands seriously. It is important to continue to focus on meeting investor expectations engaging with investors to ensure they understand their behaviours.

The implementation of CSRD in most European countries will take the headline in 2025 especially with the growing demand on reporting and accountability of directors.

Hong Kong

Richard Houng
CEO, Issuer Services, Asia

In 2024 there has been little change in the chosen format for meetings throughout the peak season, with over 90% of Hong Kong and Mainland China issuers choosing to host in-person meetings. We have evidenced an increased preference for hybrid meetings from our clients in the Hang Seng ESG 50 Index, however this does not mean that only large companies are holding online meetings. Of the companies that chose to hold an online meeting (virtual or hybrid), 57% have less than 1000 registered holders.

During the peak meeting season from April to June 2024, Computershare supported our clients across Hong Kong and Mainland China to successfully deliver over 1,000 meetings, of which 893 were annual general meetings (AGMs).

Director elections is a topic of considerable concern for shareholders in 2024 and voting against directors is one step shareholders can take to show their dissatisfaction. This is evidenced by the number of companies (23) that were unable to garner support for director candidates, almost double the number in 2023.

We have also witnessed a considerable evolution of the shareholder population in 2024 with an increase in the volume and quality of questions put forward throughout the peak meeting season. Detailed, probing questions that focus on current events as well as a strong interest in long-term company strategy and performance dominated the microphone, and we expect this trend to continue into 2025 and beyond.

United Kingdom

Mark Cleland
CEO, Issuer Services, UCIA

Our UK, Irish and Channel Islands clients continued to display a clear preference for in-person meetings, which they often chose to enhance with digital solutions to improve shareholder accessibility and engagement.

In a year that has been tumultuous for several reasons, including slow economic growth and political change, most issuers experienced a relatively calm meeting season with reduced activism and dissent.

During FY24, we supported our UK, Irish and Channel Islands clients to successfully deliver over 900 meetings, of which 495 were in-person meetings.

There is, however, a continued focus on environmental matters with investors seeking increased clarity from issuers about their activities and how targets are impacting the overall health and future of their organisation.

This year, 7% of FTSE 100 AGMs faced dissent against remuneration reports, versus 20% last year. This is due to multiple factors including, improved issuer awareness of investor expectations, a general softening of investor stringency and, high levels of TSR across the FTSE 100 justifying the reward of out performing managers.

About Computershare Investor Services

Computershare Investor Services encompasses a broad portfolio of products and services that cover an extensive range of financial markets across every major region. Register maintenance and corporate actions are at the core of our business. We offer global coverage and deep expertise in international markets, to guide our clients through highly complex transactions.

For more information, visit computershare.com/us

About Georgeson — a Computershare company

Established in 1935, Georgeson is the world's original and foremost provider of strategic services to corporations and investors working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions. Our local presence and global footprint allow us to analyse and mitigate operational risk associated with various corporate actions worldwide.

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