



New Zealand ASM Intelligence Report

Analysis of meeting trends and key governance issues arising throughout 2024.



Contents

Introduction	3
Corporate Governance	4
Learnings from the ASX and possible impacts for NZX-listed issuers	5
Corporate governance updates	12
Proxy advisor thematic policies	14
Cybersecurity and data privacy	17
The ASM landscape	20
Meeting format	21
Method of lodging votes	23
Meeting attendance	24

Introduction

We are pleased to release the **Computershare and Georgeson New Zealand ASM Intelligence Report**, which examines meeting trends and emerging governance issues throughout 2024.

Over the last 12 months we have seen a continuation of some pivotal trends in proxy voting and shareholder engagement. New Zealand continues to lead the way globally in the use of hybrid ASMs, with 61% of our client base choosing this format again.

Computershare has been committed to driving digital vote lodgement for over a decade. Firstly, through InvestorVote, our online channel for retail investors, and now through our partnership with Citibank and **Proxymity**. The experience in overseas markets adopting these technologies sees more issued capital voted and these votes being returned much earlier. The early signs we are witnessing in New Zealand suggest the same.

Targeted votes against directors continue to highlight actual and perceived shortcomings in companies' governance structures and practices, with 11 instances of 10% or more votes 'against' board-endorsed-candidates during 2024 across the NZX50.

Throughout 2024, Computershare supported our New Zealand clients to successfully deliver over 90 meetings. We continue to witness stability in the format chosen to conduct an ASM with most of our clients holding their ASM as they did in 2023. While the preference for hybrid meetings dominates at NZX companies, there is a growing appetite to explore virtual-only meetings in 2025.

Supporting our clients to plan, conduct and analyse their meetings sees Computershare participate in the complete meeting lifecycle. We also bring valuable experience from Australia, and other key markets including Europe, UK, North America, Hong Kong and China.

Computershare and Georgeson look forward to supporting our clients and the broader industry throughout 2025.



Stuart Jury
Managing Director
Computershare Issuer Services
New Zealand



Scott Hudson
Managing Director
Georgeson
Australia and New Zealand

Key takeaways

- **Proxymity:** With three global custodians using Proxymity in New Zealand, we are seeing more issued capital being voted, and more quickly, with this end to end digital solution.
- **Hybrid ASMs:** New Zealand has set the benchmark globally for companies choosing to use a virtual element in their ASM.
- **Meetings technology:** Computershare continues to invest in meetings technology with the aim of replicating the virtual experience with the physical. The ability for virtual attendees to attend via voice and video will further enhance the online experience.

Corporate Governance

Analysis of emerging governance themes by Georgeson.

[◀ RETURN TO CONTENTS ▶](#)

You may also be interested in the full report recently released covering companies across the S&P/ASX300.

To read the full report click [◀ here ▶](#)



Learnings from the ASX and possible impacts for NZX-listed issuers

Executive remuneration

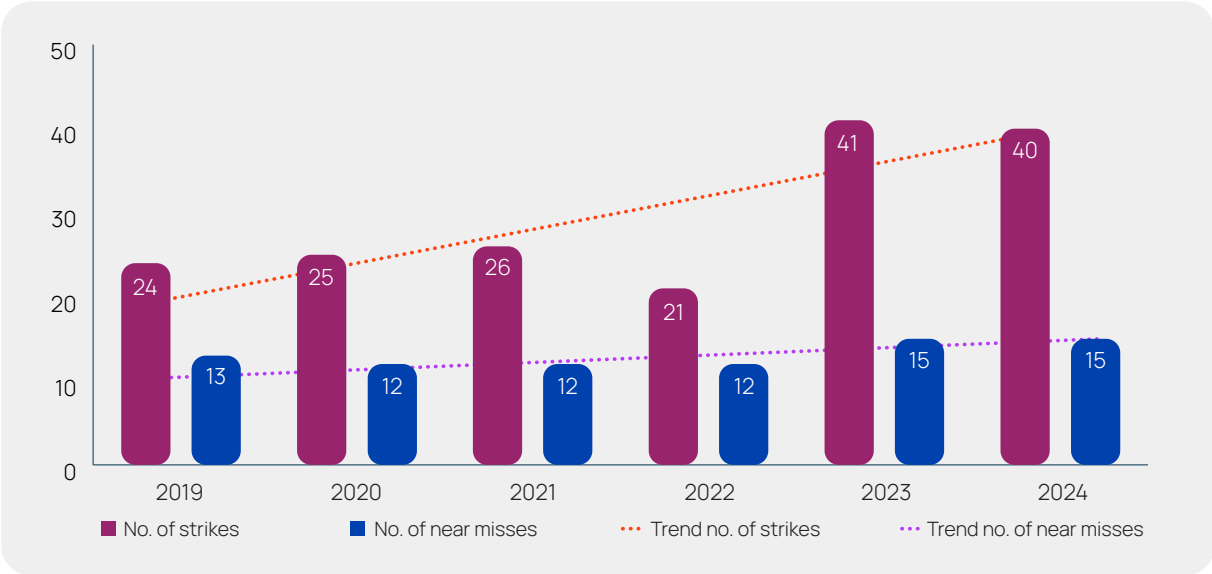
Shareholder scrutiny and activism continues

While not an immediate concern for NZX listed issuers, a standout data point from 2024 was the repeated high occurrence of strikes against remuneration reports under Australia’s unique two-strike rule¹.

Whilst only advisory (non-binding) in terms of their legal effect, the events of 2024 solidified the role of the remuneration vote as a lightning rod issue for both institutional and retail investors. In the words of one leading industry columnist, the remuneration report vote has moved beyond its original intended focus on remuneration structure and shareholder alignment to become in effect “an annual referendum on sentiment around a company” as a whole². While this is not a requirement for NZX listed issuers, as we detail further below, it remains as an important consideration, particularly for companies that are dual-listed on the ASX.

There were 40 strikes recorded in the S&P/ASX300 throughout 2024, just shy of 2023’s record 41. A further 15 companies were in the ‘near-miss’ zone (including Xero), receiving votes between 20% and 24.99% ‘against’ their remuneration reports. This signified meaningful shareholder dissent and a strong message to boards to respond constructively if they wish to avoid incurring a strike in the future. For example, of the 15 near misses in 2023, five companies went on to receive a first strike in 2024.

Number of strikes and near misses in the ASX300 (2019-2024)



1 Australia has a unique ‘Say on Pay’ structure whereby a vote against a company’s remuneration report of 25% or more counts as a strike. If a company incurs strikes at two successive AGMs, it is then required to put forward a Board spill resolution, which if approved by a 50% majority can lead to incumbent directors being subject to a further vote at a special meeting within 90 days to retain their positions.

2 James Thomson, Senior Chanticleer Columnist Australian Financial Review, speaking at the Georgeson breakfast session, International Corporate Governance Network Australian conference, Melbourne, 13 November 2024.

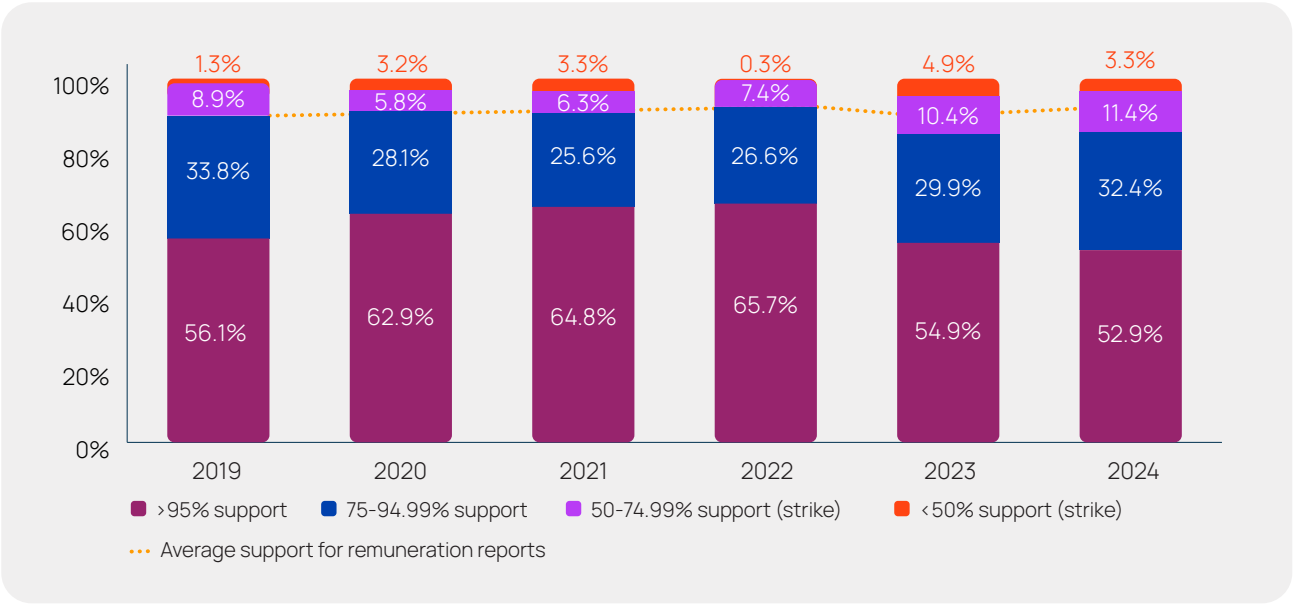
Prior to 2024, the incidence of second strikes was typically relatively low, most corporations reacted positively to investor feedback once the first strike was received. For instance, in 2023 out of a total of 41 strikes, only two were second strikes. However, in 2024, 12 of the 40 were second strikes. This spike in second strikes suggests a meaningful increase in shareholder concerns related to unresolved remuneration issues.

Moreover, the severity of strikes continued to scale new heights, with the top five highest 'against' votes ranging from 67.5% up to 88.1%. These numbers represent an increase in severity of 5% when comparing with 2023 data, but over 32% with 2022 results.

Finally, across the S&P/ASX300 we observed a decline in the percentage of companies receiving over 95% support for their remuneration reports. This was accompanied by a slight increase in overall average support since 2023 but remains lower than the 2019-22 period.

After a first strike or even with over 10% of votes 'against' the remuneration report, we recommend engaging with investors and taking on board feedback throughout the year on this topic.

Percentage of support for S&P/ASX300 remuneration reports (2019-2024)



Targeted votes against directors

A mainstay in the investor governance toolkit

Aside from general shareholder activism and votes 'against' actual resolutions, the next most prominent vehicle for investors to send messages to companies is through votes 'against' the election of board-nominated director candidates.

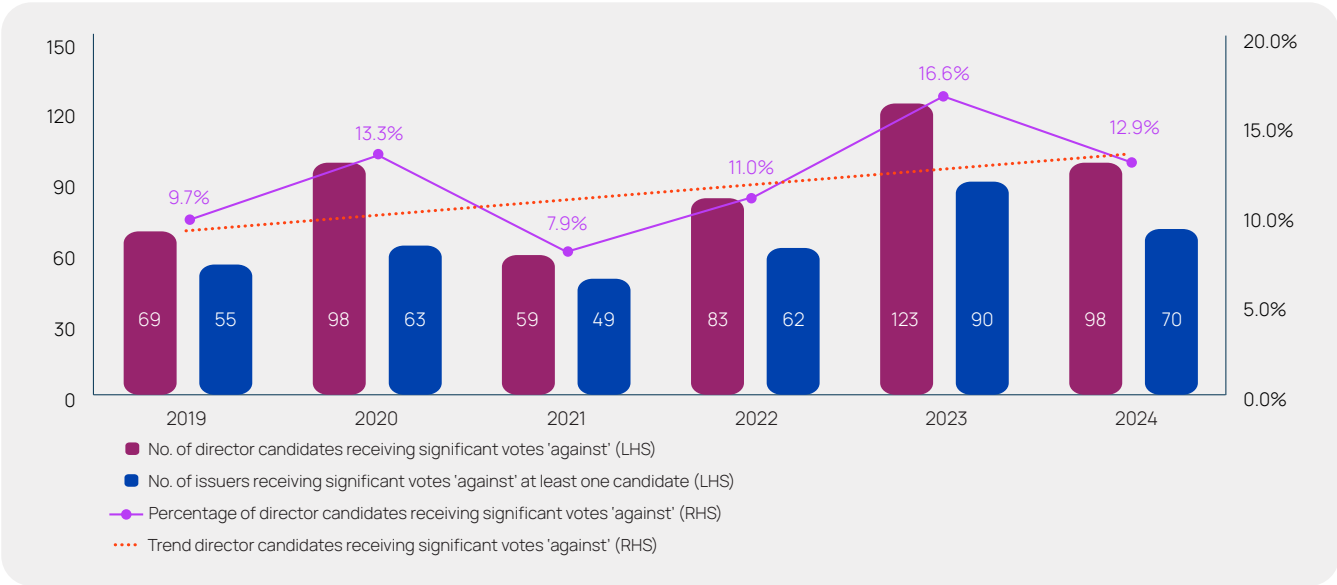
Historically, board-nominated director candidates (whether new candidates or incumbents being put forward for re-election) have always received very high levels of shareholder support, typically in the region of 95% or more. Recent years have been no exception, with many director nominees in 2024 receiving over 95% support.

Against this background, it is naturally of some concern to boards when individuals receive levels of support that are meaningfully below this high average approval threshold, while still comfortably meeting the 50% threshold for successful election.

Some candidates receiving lower support than their peers on the same ballot or attracting what might appear to be targeted pushback from certain key investors but not others, can signal important considerations for boards around composition, succession planning and investor engagement priorities for the future.

For this reason, Georgeson tracks significant votes 'against' board-nominated director candidates, with our lower threshold being votes of 10% or more 'against' the individual candidate.

S&P/ASX300 board-endorsed director candidates receiving significant votes 'against' (2019-2024)



Across the S&P/ASX300, there were 98 (12.9%) board-endorsed candidates at 70 companies where more than 10% of shareholder votes were cast 'against' the individual candidate's election. This included 30 candidates at 26 companies where the vote 'against' was higher than 20%.

Learnings for the New Zealand market

Executive remuneration

Although companies in the local market are not obligated to submit their remuneration-related resolutions for shareholder approval during the ASM, an increasing number of companies are choosing to do so. This emerging trend includes remuneration reports and equity grants payments.

In 2024, two New Zealand companies in the S&P/ASX300, **Fletcher Building** and **Xero**, have voluntarily presented their remuneration reports for shareholder votes. This action reflects their commitment to good corporate governance. They received 11.05% and 22.46% of votes 'against' respectively, mainly due to concerns over the lack of retrospective disclosures on bonus awards, misalignment between executive pay and shareholder outcomes, and insufficiently robust performance targets, amongst others.

When observing the results from ASMs across the NZX, three issuers have put forward their remuneration report for votes (**ANZ Group Holdings**, **Fletcher Building** and **Westpac Banking Corporation**³). They received 38.3% (a first strike in the Australian context), 11.05% and 4.5% of votes against respectively. Despite the absence of a remuneration strike rule in New Zealand it is important to consider the reasoning for negative votes, particularly if they are above the 10% mark. In these three cases the rationale for negative votes spans from lack of retrospective disclosure on bonus awards, to unjustified increases on remuneration to executives in contrast to a lower-than-expected financial position of the company.

The rise in the number of companies presenting these proposals for ASM votes may indicate a meaningful shift in the market influencing both issuers and shareholders' mindsets.

NZX-listed issuers presenting remuneration report at ASM	Votes against remuneration report
ANZ Group Holdings	38.3%
Fletcher Building	11.1%
Westpac Banking Corporation	4.5%

Voluntarily presenting remuneration reports (and other remuneration-related proposals) for shareholder support is particularly significant for dual-listed companies, as it reflects a growing expectation from shareholders for greater transparency, as an inherited habit from the ASX.

As some companies appear to be positively incorporating this feedback, those choosing not to do so may be prepared to experience an increase in negative votes on other ASM resolutions, such as board member elections.

3 Westpac Banking Corporation and ANZ Group Holdings did not voluntarily hold a remuneration report vote at their ASM given that they are Australian issuers.

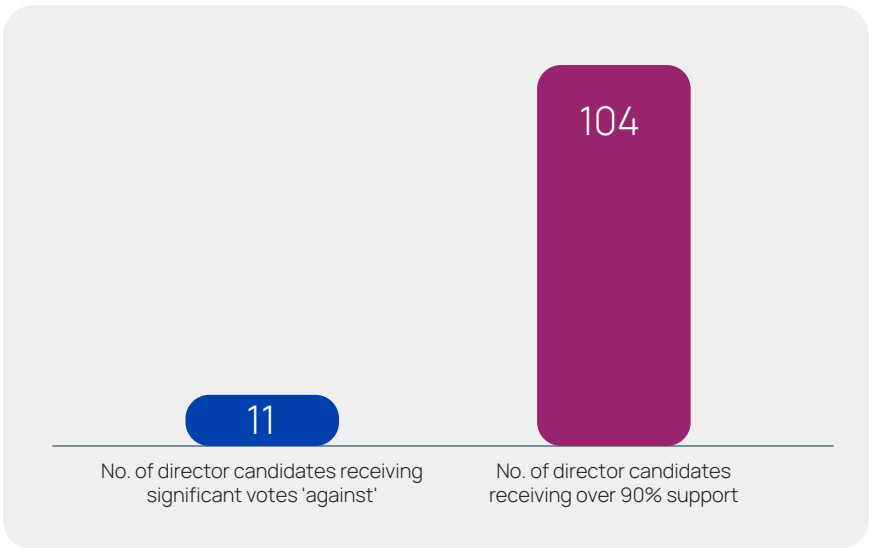
Director elections

In 2024, board-endorsed director candidates received support of 96.6% on average in the NZX50. Out of 115 nominees, 104 secured over 90% support from shareholders. However, 11 candidates across nine companies faced significant votes 'against' (10% of more negative votes) with the highest level of dissent being 38.8% and the lowest 11.3%.

The opposition votes clearly signify a strong protest across the nine companies, reflecting a notable level of shareholder dissatisfaction, particularly when comparing to 2023 results. The primary reasons for the negative votes against board-endorsed candidates, as highlighted by institutional investors, were related to tenure and independence, followed by concerns about overboarding. These protest votes emphasise the importance of addressing critical governance issues to align with shareholder expectations and maintain trust.

In 2024, board-endorsed director candidates received support of 96.6% on average in the NZX50

Support received by NZX50 board-endorsed director candidates in 2024



In other nominal occasions we observed votes against directors who are part of the ESG committee (or similar) of a company that does not report against globally recognised sustainability standards like the Sustainability Accounting Standards Board (SASB). In these cases, institutional investors are likely to be following specific ESG thematic policies from proxy advisors (see more information about this on page 14).

Finally, in 2024, there were two non-board endorsed candidates presented as shareholder proposals at one company. Both candidates faced overwhelming opposition, with each receiving over 99% of votes 'against'. Notably, there were no external candidates in 2023.

Georgeson key takeaways

Remuneration

Investors and other stakeholders are increasingly expecting NZX-listed companies to present their remuneration-related resolutions for shareholder support during ASMs.

Although this practice is not yet widespread, it is considered a good corporate governance exercise that enhances transparency and builds trust between the company and its shareholders.

However, issuers should be mindful of the following learnings from the Australian market:

- The vote on the remuneration report has become a potent tool for investors to admonish companies that are in the public spotlight for reasons concerning corporate reputation, financial performance, corporate culture, probity or conduct.
- Whether directly linked to remuneration practices or not, votes on remuneration reports to some degree, are displacing traditional mechanisms such as shareholder proposals as the primary means of voicing shareholder dissent.
- We expect this heightened focus on remuneration reports to continue, creating ongoing challenges for boards of companies that are in the public and media spotlight as the ASM season approaches.
- Issuers should not make the mistake of viewing the remuneration vote purely through the numerical lens of the (low) likelihood of a board spill eventuating after two successive strikes.
- Rather, boards need to recognise the reputational implications and risk to share price performance that can accompany an adverse remuneration vote result, and to confront these as real and palpable risks to address throughout the year, not just in the lead-up to the ASM.

Director elections

Although NZX-listed companies generally receive strong support for director elections and re-elections, the higher-than-usual level of negative votes in 2024, alongside the presence of non-board endorsed candidates, signals a rise in shareholder dissent.

This emerging trend reflects growing concerns among shareholders, therefore issuers should consider:

- Votes 'against' board-nominated directors are rarely about the risk of failing to reach a 50%-plus majority voting outcome. However, that risk should never be entirely discounted, especially in companies with concentrated registers or exposure to shareholder activist campaigns.
- Boards of widely-held companies should analyse and reflect upon significant votes 'against' director candidates to better understand investors' perspectives around key governance and board structure issues.
- These voting results are important leading indicators for future investor engagement priorities, and signals of the market's desired reforms in key areas including board composition, disclosure practices and succession plans.
- Adverse voting decisions by key investors can sometimes appear to impact certain directors unfairly or randomly, depending on factors beyond their individual control, such as the timing of their re-election, the committees they sit on, or whichever issues happen to be most in the public spotlight at the time.
- Boards and investors alike should recognise the collegiate nature of these matters and address them across the entire board.
- Interpreted correctly, votes 'against' directors can provide invaluable insights into the drivers, nuances and discretionary exceptions that often underpin major investors' votes and proxy advisor recommendations. Understanding voting policies from relevant institutional investors and proxy advisors is essential for your engagement strategy.



Corporate governance updates

Director independence

In late 2024 NZX announced several changes to the listing rules and the Corporate Governance Code in relation to director independence. These changes were made as a result of a two-stage review into director independence settings and consultation with the NZX Corporate Governance Institute.

The main thrust of the changes relates to situations where a board determines that a director is independent, despite triggering one of the 'Code factors' in the NZX Corporate Governance Code that would otherwise indicate that the director has a relationship that would disqualify them from being independent. In such a situation the board is required to announce via MAP which Code factor applies to the director, and why the board has determined that the application of the Code factor does not cause the director to be a non-independent director. In addition, the Annual Report must contain an explanation of this, as must any Notice of Meeting where the director is up for election or re-election.

The importance of director independence has also been reinforced in the Code with the direction that issuers conduct periodic inquiries of directors to check independence. This direction recognises that relationships change over time, and it is good practice to check during a director's tenure whether they have developed any relationships of interest that compromise independence in terms of the factors set out in the Code.

Other changes include:

- Requiring that the financial or accounting expert on an issuers Audit Committee also be an independent director
- Reinforcing the need for boards to consider a director's reliance on the issuer from a financial perspective when considering independence
- Clarifying the qualifications or experience that are sufficient for a director to be the accounting or finance expert on an Audit Committee
- Updating the criteria for director residency

Director independence in the context of a 'Control Transaction'

The Code now explains that in establishing a Committee to deal with a takeover offer (now referred to as a 'control transaction'), the members of the Committee should:

- (a) not be involved, or otherwise associated (including as an associated person), with a bidder;
- (b) not be an associated person of a shareholder who is involved with, or otherwise associated with, a bidder; and
- (c) be able to bring an independent view to decisions in relation to the control transaction.

This is a departure from the previous guidance which was that the Committee should comprise Independent Directors. The change responds to market feedback that in the context of a takeover offer or control transactions, it is more important that the members of the Committee are independent of the bidder, as opposed to being independent per se according to the Code factors.



Proxy advisor thematic policies

Global proxy advisors Institutional Investor Services (ISS) and CGI-Glass Lewis (Glass Lewis) have had benchmark proxy voting policies in place for many years which they provide to their institutional investor clients (for a fee).

These policies, almost always tailored for a particular jurisdiction (though there are also global policies), give large investors access to rigorous analysis and voting recommendations, which they can use to determine their own voting positions.

In recent years both advisors have developed several 'specialty' (ISS) or 'thematic' (Glass Lewis) proxy voting policies, which investors can also subscribe to. These policies have a more specific focus than the benchmark policy, such as climate change, or pro-management or a faith-based focus. The benefit for subscribing institutional investors is access to voting analysis based on policies much closer to their own as opposed to the main benchmark policies.

For issuers and their solicitation advisors, such as Georgeson, these policies make the task of determining how an investor will likely vote much more complex.

The effects of these policies are limited to date, since their subscriber numbers are lower than those for the benchmark policies. However, it is possible that subscription levels for these specialist policies will rise significantly in the future, magnifying their influence on voting outcomes.

Georgeson has seen numerous instances of adoption of these thematic policies already, with investors who generally support the benchmark recommendations suddenly voting the opposite way. In a close vote this can make a significant difference to, or even reverse, the outcome. Actual votes in support of the client may be noticeably different from what was predicted.



In the past most institutional votes are only lodged with the registry in the last day or two before proxies close and the appearance of an 'against' vote when a 'for' vote was expected thus happens very late in the process. Now with Computershare's partnership with Proxymity, where three global Custodians are connected in New Zealand, we now have access to more data to share with Issuers to assist with conversations with the custody chain in advance of the ASM.

For issuers and their solicitation advisors, such as Georgeson, these policies make the task of determining how an investor will likely vote much more complex.

Georgeson is keeping alert to the take-up of these thematic voting policies by some investors, to assist our clients' understanding of how their adoption might influence voting outcomes.

ISS specialty voting policies (global)

- Socially Responsible Investment (SRI)
- Sustainability
- Public Fund
- Faith-Based
- Climate
- Global Board-Aligned
- Taft-Hartley

Glass Lewis thematic voting policies (global)

- Catholic
- Climate
- Corporate governance focused
- ESG
- Investment Manager
- Public Pension
- Taft-Hartley
- Trust Bank

Georgeson key takeaways on thematic proxy advisory policies

- Issuers should be aware of the thematic policies and whether they differ from the proxy advisors' benchmark policies in ways that could unexpectedly cause investors to vote against the company.
- In their engagement with institutional investors issuers may consider asking if the investors subscribe to any of the thematic policies.
- Issuers should be aware that subscriptions to the thematic policies could grow and begin to have a more material impact on voting outcomes.
- Predicting institutional voting direction will be more complex and require in-depth analysis of the shareholder base and behaviours of particular investors.



Cybersecurity and data privacy

Whilst technology risks are rarely a focus of company ASMs, the widespread use of artificial intelligence (AI) and recent global cybersecurity breaches have highlighted the significant risks they pose to companies' reputation and business continuity.

As breaches become more common, regulators are reviewing company process and board oversight requirements to ensure that they are fit for purpose, and mandating tougher requirements, with significant penalties for major lapses.

The Privacy Act 2020 is the main key legislative piece designed to protect personal data being processed by companies. Some key components of the Privacy Act are:

- **12 privacy principles:** to protect the collection, use, storage, and distribution of personal information.
- **Mandatory breach notification:** organisations must notify the Privacy Commissioner and affected people if a breach has occurred.
- **Criminal offenses** may apply in cases of misleading actions to access personal information.
- **The Privacy Commissioner has authority to:**
 - investigate and decide on information access complaints;
 - issue notices to enforce compliance.

The government also introduced the New Zealand Cyber Security Strategy⁴ in 2019, which can be used as framework for managing cyber risks. Some of its components include cyber resilience, cyber capabilities, addressing cybercrime and international cooperation amongst others.

Although major changes to the privacy and cybersecurity laws seem unlikely in the short term, recent announcements regarding the Privacy Amendment Bill will become effective in 2025⁵. The Bill includes the introduction of new disclosure requirements concerning the indirect collection of personal information amongst other topics.

⁴ New Zealand's Cyber Security Strategy 2019, Department of the Prime Minister and Cabinet (DPMC)

⁵ The Privacy Amendment Bill is coming soon – here's what you need to know, Office of the Privacy Commissioner, 2025

In a world where technology risks are evolving faster than legislation, how board members make sound cybersecurity decisions becomes an essential part of their duties.

Although this affects some industries – like health and financial – more than others, ultimately, almost all business sectors, use complex platforms and potentially millions of customer, employee and supplier records of varying sensitivity.

In addition, investors, as guardians of their clients' money, are becoming more focused on cybersecurity risks and are looking at how they can hold directors accountable for poor risk management or inadequate oversight.

To exercise their oversight function effectively, boards must be able to challenge senior management on security issues. Therefore, an overall effective “cybersecurity governance”⁶ should include:

- **Cybersecurity vision:** a guiding vision for decision-making across the entire organisation, aligning with the overall strategy.
- **Defined roles and responsibilities:** clearly defined cybersecurity roles and responsibilities, ensuring integration within the organisation.
- **Holistic risk management:** a comprehensive approach to risk management that includes cybersecurity risks, enhancing the understanding of specific cyber threats faced by the organisation.
- **Resource oversight and allocation:** oversight and allocation of resources through a dedicated cybersecurity forum and program.
- **Compliance and continuous improvement:** a robust system for measuring and reporting compliance, fostering continuous improvement.

Georgeson key takeaways on technology risks

In responding to these pressures, boards need to consider:

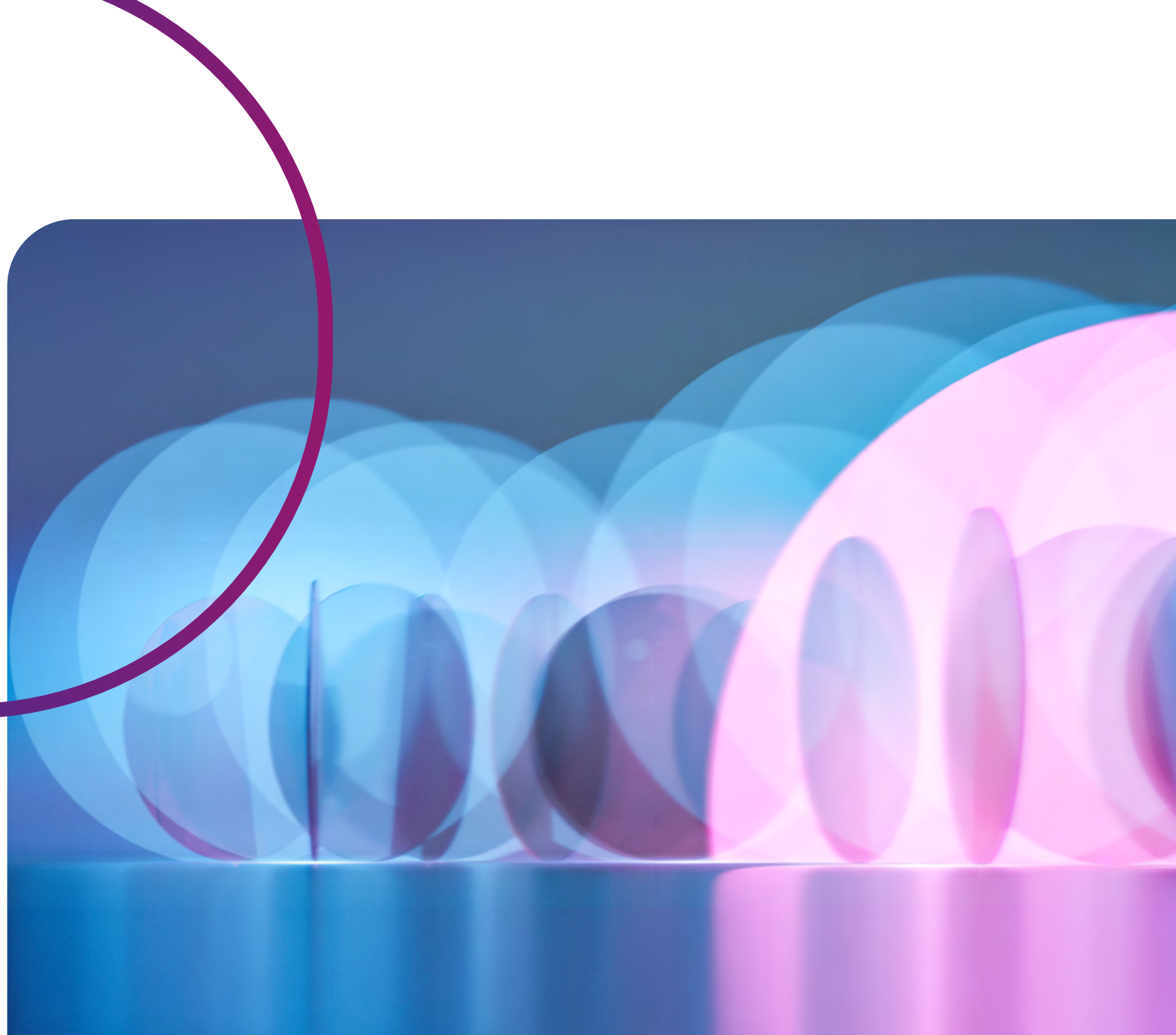
- Whether they should hire either third party experts to advise on cybersecurity issues or specialist directors to manage oversight – though this runs the risk of scapegoating individuals if breaches occur; or whether the whole board needs to upgrade its skills and seek out better, more rigorous technology risk management processes.
- Prepare and maintain an updated Data Privacy policy and be transparent about what data you collect, why you do so and how you manage it.
- Promote cyber education and good practices amongst management and all staff.
- Assume that because you collect data from clients and other stakeholders your systems are vulnerable. Hence, be proactive and ensure there is an incident response plan in place. Do not wait until it happens to respond.
- Undertake a materiality assessment to determine how important cybersecurity risks and data privacy are for your business and integrate cybersecurity into the overall company strategy.



The ASM landscape

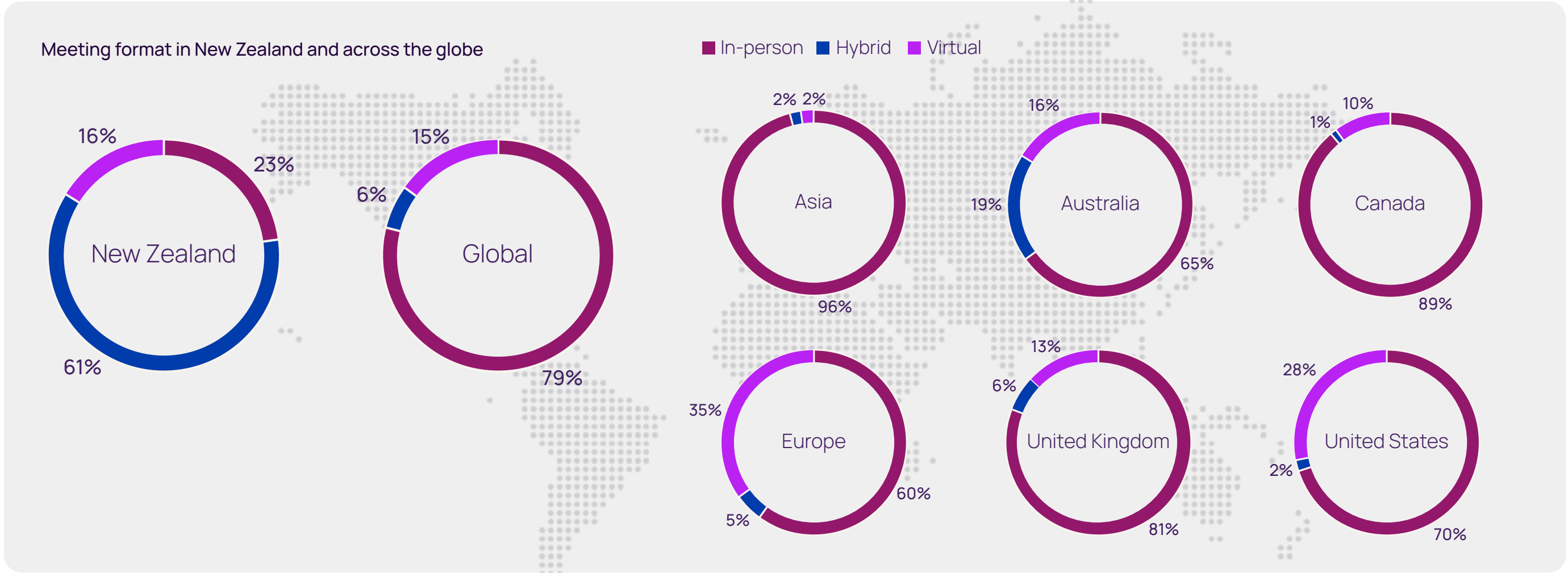
This section of our report
analyses data from the meetings
Computershare helped our clients
to deliver throughout 2024.

[◀ RETURN TO CONTENTS ▶](#)



Meeting format

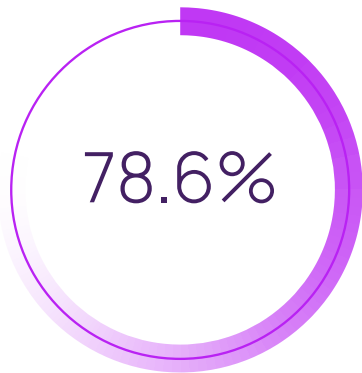
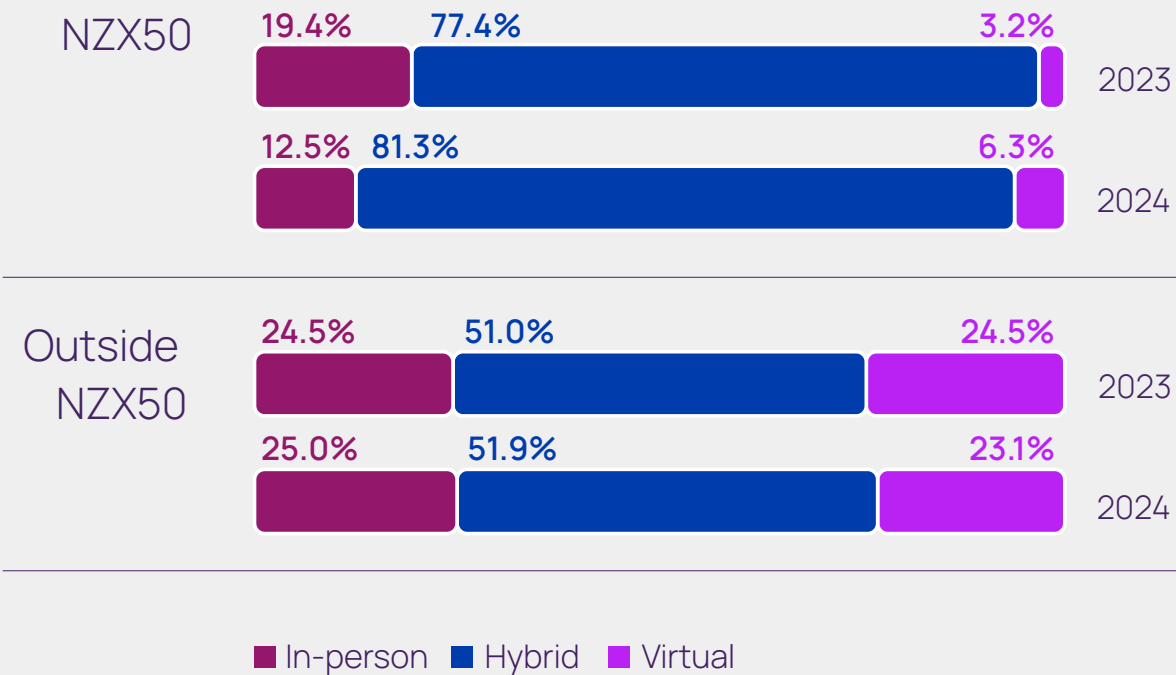
In New Zealand throughout 2024, we achieved further stability in both meeting logistics, particularly in meeting format. Globally the preference for in-person meetings remains, with New Zealand an outlier where hybrid meetings, which have formed part of the landscape for many years being the main format chosen.



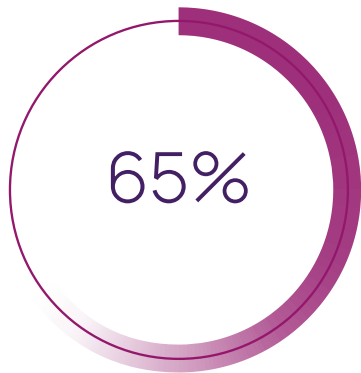
THE ASM LANDSCAPE

We saw an increase in hybrid meetings across both the NZX50 and Outside NZX50.

ASM format by NZX index



of our Australian clients in the S&P/ASX50 held a virtual meeting.



of our Australian clients chose to hold an in-person meeting.

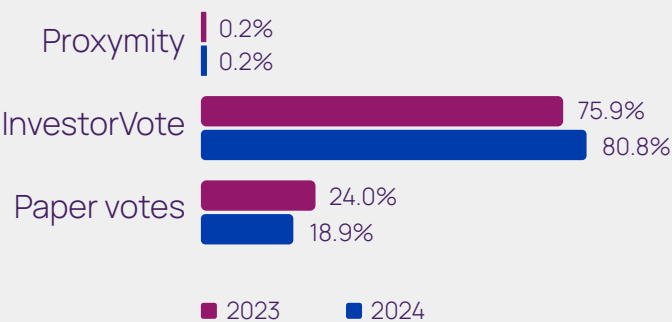
Method of lodging votes

In 2024, we saw 35% more shareholders appointing a proxy compared to 2023, with the continued increase in votes submitted via online channels. The second graph includes passive votes, i.e. those shareholders that have provided the New Zealand Shareholders Association with a standing proxy to vote on their behalf at meetings. These votes now represent 30% of shareholders appointing a proxy.

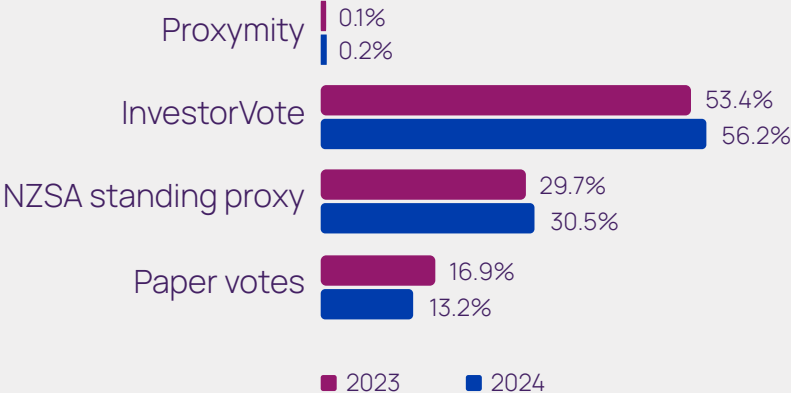
The use of Proxymity has also increased in 2024, with HSBC Nominees the latest institution to sign up to the service.

Voting channels – used by shareholders

Active Votes Only



Including Passive Votes



By leveraging real-time digital solutions, you can:



Access a comprehensive shareholder breakdown in under 24 hours



Predict voting outcomes with real-time vote tracking

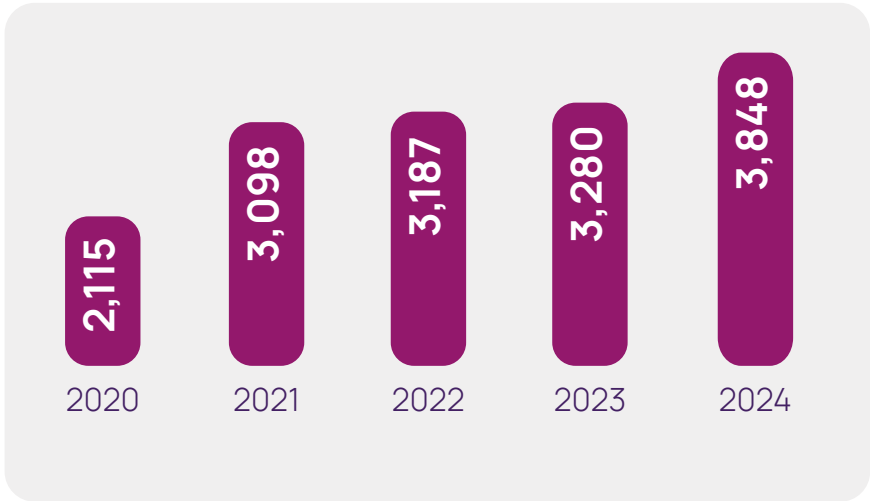


Simplify and streamline shareholder communication

Meeting attendance

Attendance in 2024 continues to increase with a 17% increase on 2023. Evidence from the meetings we assisted with in 2024 shows that in-person attendance is trending down with online attendance driving the overall growth.

Total annual ASM attendance (in person and online)

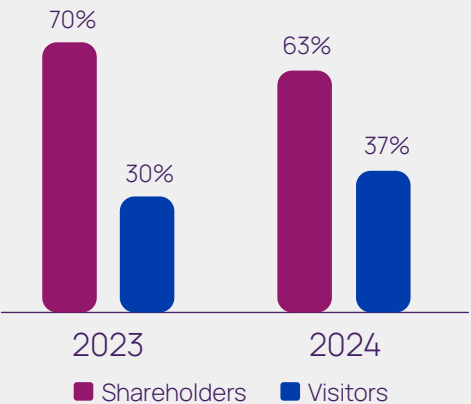


In Australia, our clients in the S&P/ASX50 saw a 5.9% increase in attendance in 2024.

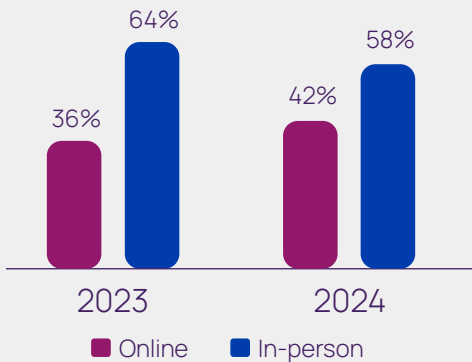


In Australia, 61% of meeting attendees registered as visitors. This most likely includes a number of unregistered shareholders.

Attendance breakdown



Hybrid meeting attendance





About Computershare Limited (CPU)

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, proxy solicitation and stakeholder communications. We also specialise in corporate trust, mortgage servicing 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 organisations use us to streamline and maximise 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.

For more information, visit
www.computershare.com/au



About Georgeson

Georgeson is one of the world's foremost providers of strategic shareholder services to corporations and shareholder groups working to influence corporate strategy. We offer unsurpassed advice and representation for annual meetings, mergers and acquisitions, proxy contests and other extraordinary transactions.

Our core proxy expertise is enhanced with and complemented by our strategic consulting services, including solicitation strategy, corporate governance analysis, vote projections and insight into investor ownership and voting profiles.

Our local presence and global footprint allow us to analyse and mitigate operational risk associated with various corporate actions worldwide.

For more information, visit
www.georgeson.com/au

The content of this report is intended to provide a general overview of the relevant subject matter and does not constitute legal advice. It is important that you seek independent legal advice on all matters relating to your ASM, compliance with the NSX Listing Rules and other applicable legal and regulatory requirements.

Analysis contained in the "ASM landscape" portion of this report is based on data derived from Computershare's NZX-listed issuer client base. Any other analysis presented in this report is derived from multiple data sources and encompasses the entire NZX50 index.

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