Computershare | Georgeson

2024 AGM INTELLIGENCE REPORT

Exploring emerging meeting and governance trends in Australia throughout 2023

CONTENTS

2023 was an eventful year for ASX listed issuers and investors alike

Amid a cost-of-living crisis, subdued economic growth and continued rising interest rates, investors pressured issuers to deliver greater returns while being more astute with capital expenditure and managing their social license to operate. These forces played out in several high-profile controversies involving some of Australia's most iconic consumer and professional services brands.

As one barometer of this market friction, 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 and 24 in 2021. 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 over 80% against** – an unprecedented degree of push-back from investors.

An intense focus is also being directed at cybersecurity and what issuers are doing about it, following some further high-profile incidents during 2023 and intense scrutiny from the Australian Government and financial regulators.

During 2023, Computershare supported our Australian clients to successfully deliver over 950 meetings, of which 750 were annual general meetings (AGMs). Pleasingly, we have seen a return to consistency in the format in which companies conduct their AGM, with little change from 2022 to 2023. While the preference for hybrid meetings is high for ASX100 companies, the in-person format remains the most utilised across all indices.

The 'AGM season' is no longer the traditional six week process, with investor and proxy engagement, governance disclosures and AGM analysis being conducted by issuers throughout the year. Supporting our clients to plan, prepare, conduct and analyse their meeting sees Computershare participate in the full meeting lifecycle. We bring experience from Australia and New Zealand, and key markets of Europe, UK, North America, Hong Kong and China.

Computershare and Georgeson look forward to supporting our clients and the broader industry throughout 2024.

Georgeson provides an overview of the full Australian meetings season, while the data provided in our AGM summary covers companies managed by Computershare directly.

Insights from 2023:

- The number of remuneration strikes almost doubled and the severity of strikes reached a new high
- Director accountability votes are on the rise
- ESG is no longer about activism, it is a whole-of-business issue
- We saw an increase in voting participation by big superannuation funds
- Engagement with investors is a year long process, no longer confined to the AGM planning period

Marnie Reid
CEO
Computershare Issuer Services
Australia and New Zealand

Andrew Thain
Managing Director
Georgeson
Australia and New Zealand

Corporate Governance

The latest market analysis from Georgeson across the ASX300

<RETURN TO CONTENTS>

Remuneration strikes spike: A key barometer of institutional investor disquiet

Compared to other major equity markets, Australia has a unique 'Say on Pay' structure through the remuneration report vote and 'strike' count.

If a company incurs strikes at two successive AGMs, the board spill resolution is put to a vote.

History shows that these **contingent spill resolutions rarely pass after a second strike**, as most investors (even those opposed to the remuneration report itself) are generally not prepared to unseat the entire board.

Remuneration strikes also attract a lot of negative publicity during AGM season, especially when they occur at prominent 'household brand' companies. So, for good reasons issuers tend to **actively engage with major investors and proxy advisers** to avoid a first strike, and even more so to avoid a second one, after having over 25% of votes cast against by investors who were unhappy with remuneration structures at the previous AGM.

Strikes in 2023

Against a background of widely publicised corporate controversies, **2023 proved to be an especially big year for remuneration strikes** at ASX300 companies.

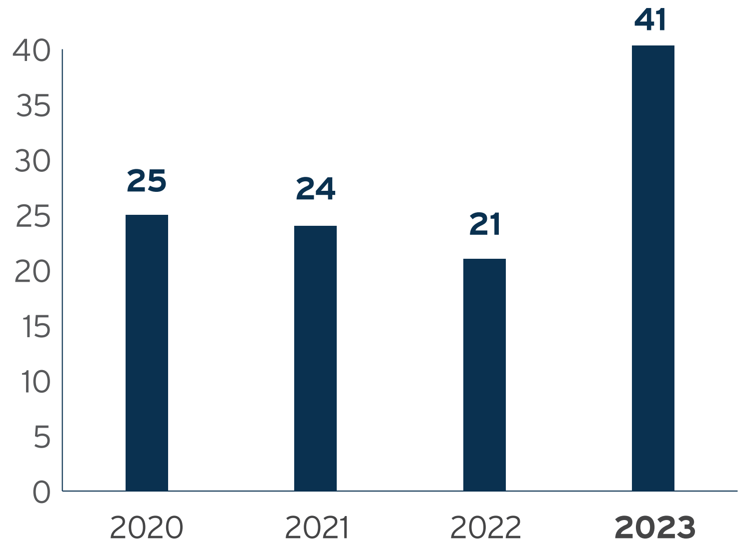
The number of strikes from 2022 to 2023 nearly **doubled from 21 to 41**. This significant rise is particularly remarkable when compared to relatively lower numbers in 2020 and 2021, representing a record high since the initiation of the two strikes rule in 2011.

A higher incidence of strikes has been observed across all sub-indices.

Executive remuneration

Strikes in 2023

Number of Remuneration Strikes ASX300



Number of Remuneration Strikes by sub-index

Index	2022	2023	Change from 2022 to 2023
ASX50	4	6	↑ 50%
ASX51-100	3	6	↑ 100%
ASX101-200	6	15	↑ 150%
ASX201-300	8	14	↑ 75%

Number of strikes with over 50% of votes against Remuneration Report ASX300

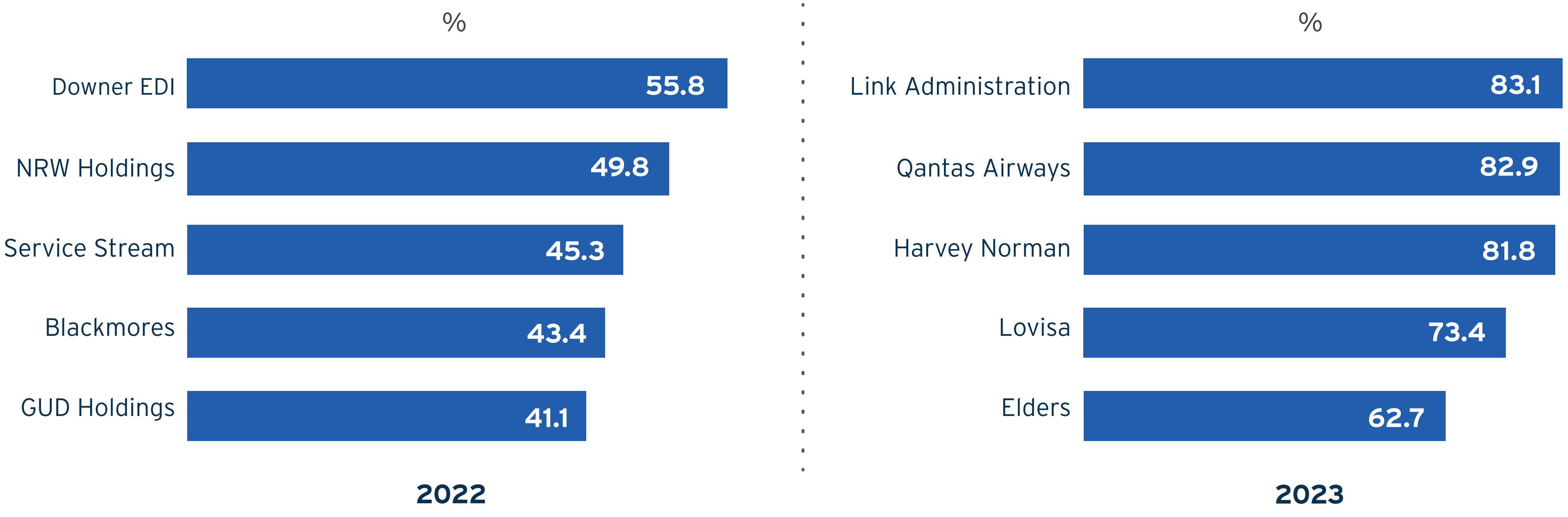
	2020	2021	2022	2023
Number of strikes with >50% of votes against	7	8	1	13

Executive remuneration

The severity of strikes at the top end of the range has increased in 2023 with **the highest against vote at 83.1%** and the top five against votes being over 60%. In contrast, the largest strike in 2022 was 55.8% and only one issuer received over 50% of votes against **compared to 13 issuers in 2023**.

Just **two of the strikes incurred by ASX300 companies were 'second strikes'**, which means that many issuers that incurred a first strike in 2022 (13 of 15) managed to avoid a repeat in 2023.

Top 5 highest votes against Remuneration Report in the ASX300



Why the uplift?

So why the spike in remuneration strikes in 2023? **There are typically many company-specific issues in play** in any given case, however, some general factors across most remuneration strikes include:

- Increasing community and **shareholder focus on high remuneration of senior executives** at a time of cost-of-living pressures, inflation and rising interest rates. This is particularly interesting when comparing to 2020 data when COVID-19 severely affected the economic outlook but the number of strikes in that year was 25 for the ASX300 in contrast to 41 in 2023.
- Major investors such as **superannuation funds are increasingly accountable to their own stakeholders** (members) and are therefore more sensitive to being seen to support high executive salaries.
- **Where a company has experienced significant reputational issues, poor financial performance, workplace safety incidents or fatalities**, the strike framework gives ASX investors a unique tool to express dissatisfaction with the board and overall executive performance, even if not directly linked to remuneration.

After 12 years of operation, the two strikes rule is still being used to remind issuers about the importance of aligning the interests of executives with those of all stakeholders, particularly investors and customers.

Navigating remuneration reform: How and where do non-financial performance metrics fit in?

2023 marked the first year of new remuneration governance requirements for 'Significant Financial Institutions' (SFIs) regulated by the Australian Prudential Regulation Authority (APRA).

These institutions include Australia's larger listed banks, insurers, and superannuation responsible entities.

Key requirements, spelled out in APRA's Prudential Guide CPS 511[1], had their origins in the findings of the Financial Services (Hayne) Royal Commission in 2019[2]. They include requirements that SFIs must:

- **Give 'material weight'** to non-financial measures in performance-related pay awards;
- **Include 'malus' (pre-vesting)** and 'clawback' (post-vesting) mechanisms for recovery of variable remuneration awards already made;
- **Include clearly defined criteria** by which a remuneration award would be adjusted downwards (potentially to nil) in the event of adverse risk or conduct outcomes; and
- **Extend deferral periods** of long-term remuneration awards (up to a minimum of six years in the case of CEOs).

1 APRA finalises requirements for remuneration disclosure | APRA
2 Misconduct in the Banking, Superannuation and Financial Services Industry | Royal Commissions

Insights

The first tranche of reporting by SFIs in 2023 has provided some interesting insights into their adopted approaches, representing relevant lessons for issuers in other market sectors.

One approach adopted by some SFIs has been to **add new metrics in their Long-Term Incentive (LTI) plans**, alongside traditional financial metrics and with a specific percentage weighting. Examples include:

- **AMP Limited's** introduction of a Reputation Index, using an external provider to measure reputational performance relative to a customised sub-set of peer companies over multiple years. This comprised 30% of the CEO's LTI opportunity.
- A new customer experience performance hurdle introduced at **Insurance Australia Group Limited**, utilising existing internal data on 'Transactional Net Promoter Scores' to establish uplift targets and hurdles for future LTI award vesting.
- Another approach, generally adopted by Australia's 'big four' banks, has been to retain traditional financial targets such as Total Shareholder Return (TSR) as the key drivers for the entirety of LTI awards, but then subject a significant proportion (up to 50%) of the award to a retrospective assessment against a series of risk-based criteria (e.g. compliance breaches, material inactions) at the time of vesting (i.e. some four to six years in the future).

In this way, boards retain discretion to modify LTI awards based on so-called 'non-financial' risk and reputation considerations, even in cases where financial performance has been strong.

Non-financial metrics

Market reaction to non-financial metrics

Implementation of the CPS 511 requirements has posed significant challenges for issuers and investors alike. Some key questions they have had to confront include:

- What is a 'material weighting' to non-financial measures in the overall remuneration plan design?
- What objective, measurable targets and hurdles can be applied to these measures, or are board judgement and governance processes sufficient?
- What are the risks of distracting boards and executives from their primary responsibility to deliver financial returns to shareholders?
- Is there a risk that non-financial metrics can be more easily 'gamed' to reward executives, even at times of financial under-performance?

These questions have been reflected in a somewhat equivocal response from some investors and at least one major proxy adviser (Institutional Shareholder Services) to the first round of CPS 511 remuneration disclosures by Australia's major banks. Whilst appreciating that these changes stem from a specific regulatory requirement, some major investors remain sceptical about the practical implications.

However, among Environmental Social and Governance (ESG)-focused investors, there is increasing recognition that issues such as **reputation, climate mitigation and customer satisfaction** are in fact material to a company's long-term financial sustainability and therefore are potentially mischaracterised as 'non-financial' in the first place.

Broader implications for issuers

The experience of Australia's major listed financial institutions in implementing the CPS 511 requirements provides guidance for ASX issuers across all sectors.

In particular, the requirement to **identify and track progress against 'non-financial' measures** has strong echoes of other challenges issuers are currently facing – for example:

- How to measure, track and incentivise progress towards Net Zero carbon emission targets under Australia's new mandatory climate disclosure framework, and
- Expected tightening of existing disclosure requirements such as Modern Slavery and Workplace Diversity reporting.

Increasingly, we expect many key investors and regulators to demand tangible progress on these issues and where appropriate, reflect this in the way executives are compensated.

Remuneration

Remuneration strikes are one of the most visible signs of institutional investor disquiet with companies' governance and/or executive performance.

- **Companies that have received a strike should analyse the voting decisions of their major investors** and seek to understand the rationale for those decisions. These will generally be driven by published policy positions (whether of the investor itself or its proxy advisers).
- **Any changes being considered should be canvassed with key investors and proxy advisers** well in advance of the following year's AGM. This is so that companies are not left guessing whether their changes have in fact addressed the concerns that led to the strike before the issue is locked into a voting proposal. This proactive engagement also affords issuers the opportunity to canvass investors on ideas they may have to improve the company's executive remuneration arrangements.
- Once remuneration arrangements are locked in, **consider how the intent and outcomes are explained** in the annual report. Linking to performance and company strategy is crucial to securing investor support.

Considerations for boards and remuneration committees in 2024 and beyond

- **Substantiation of STI award decisions**
  Institutional investors and proxy advisers are losing patience with STI scorecards that are solely based on qualitative assessments, without disclosure of the actual metrics that were used (either proactively or retrospectively).
  - While these concerns may not have been sufficient to warrant a vote against remuneration reports in the past, investors may not be so accommodating in future unless genuine efforts are seen to be made.
- **Balance of financial returns vs non-financial measures**
  Investors will be keen to hear a coherent narrative from boards about how they have balanced maximising financial returns to shareholders while delivering on broader stakeholder and community requirements.
  - Ideally, this narrative should be anchored in the language of financial materiality of long-term ESG risks from the perspective of long-term investors.
- **Art vs Science of LTI Awards**
  Boards should be prepared to convincingly explain to investors why and how they use discretion to determine remuneration outcomes, especially in cases where the shareholder experience does not align with the awards being provided to executives.

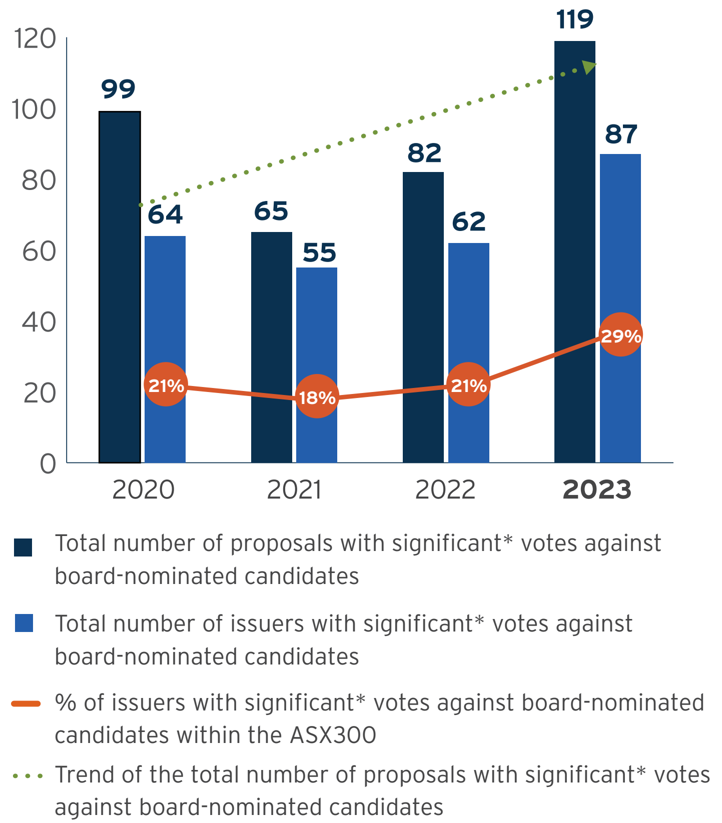
Significant votes against directors

Since 2020, there has been an upward trend in the number of issuers and individual director candidates receiving 10% or greater against votes.

Across the ASX300 in 2023, there were **119 new or existing directors** at 87 companies where more than 10% of votes were cast against them. This includes 48 directors at 38 companies where the vote against was **20% or higher**. Additionally, a further 16 directors at 14 companies received more than 30% of votes against.

The results signify an increasing level of concern among investors around corporate reputation issues and governance failures.

Significant votes against board nominated directors in the ASX300



* Significant votes against directors accounts when a proposal to elect/re-elect a board member receives 10% or more votes against them.

Director elections

The results from 2023 highlight an evolution in the approach being used by many key institutional investors, proxy advisers and non-government organisations (NGOs) to hold individual directors to account rather than (or in addition to) **employing more traditional means** to register their dissatisfaction, such as supporting shareholder proposals or voting against remuneration reports.

These factors were most clearly at play with a large dissenting vote of more than 30% against an incumbent director at Qantas Airways. Another notable case was a targeted campaign led by climate-focused NGOs against one long-standing director at Woodside.

Other reasons investors opposed directors included **concerns of 'over-boarding', insufficient gender or ethnic diversity** in overall board composition, chronic share price under-performance and perceptions of inadequate risk management, for example around cybersecurity.

Going forward, we expect votes on director appointments and re-elections will become a more important part of boards' engagement dialogue with key institutional investors. In many cases, this will be an escalation step for investors who have sought changes in the past but remain unsatisfied with the degree of progress.

The role of big super

Another highlight of the 2023 voting season was the central role played by the country's largest superannuation fund, AustralianSuper, in frustrating the acquisition of major energy utility Origin Energy by a global private equity giants Brookfield and EIG.

This transaction was supported by Origin's board and had obtained necessary clearances from Australian competition and foreign investment regulators, but required approval of at least 75% of total votes cast (and 50% of shareholders by number) at a scheme meeting in December 2023 to secure passage.

AustralianSuper's holdings of approximately 17% of total shares were sufficient to ensure that the proposal did not proceed, with the proposal falling short of the 75% of total votes threshold (achieving 69% of total votes cast, though supported by 78% of shareholders by number).

The outcome of this contested scheme meeting was retention of a significant Australian utility company in the public ASX market, based on the strong conviction of a major fiduciary investor that the privatisation bid had understated the value of the company and its strategic value in the energy transition, despite the board and regulators' beliefs to the contrary.

On a broader level, the Origin scheme meeting result was a salutary example of the ever-increasing influence of Australia's now AU$3.5 trillion pension fund sector not just on regular corporate governance and ESG engagement issues, but also more directly on key capital market transactions.

Other key signposts of this trend have been evident in recent years, notably the privatisation of Sydney Airport by a consortium of industry superannuation entities in 2022, and various transactions (not all of them ultimately successful) in the healthcare and communications sectors since 2019.

AustralianSuper's holdings of approximately 17% of total shares were sufficient to ensure that the proposal did not proceed

Cybersecurity and data privacy: What does it mean for Australian issuers?

Cybersecurity and data privacy are long-familiar topics for issuers in the technology and communications sectors.

However, the expansion of smart technology, generative artificial intelligence (AI), ubiquitous data collection and continual digital disruption make cybersecurity **an imminent risk across all industries**. Recent data breaches affecting top Australian corporations underscore the critical importance of **making cybersecurity a priority** topic on ASX issuers' strategic and risk management agendas.

A September 2023 survey from the Office of the Australian Information Commissioner (OAIC) showed that **only 15% of Australians believe that their personal information is protected** against hackers, while 92% would like businesses to do more to protect them.[3]

In November 2023, a report commissioned by ASIC concluded that significant gaps remain in Australian companies' cyber capabilities, with 58% of participating entities being found to have limited or no capability to adequately protect confidential information, and 33% not having a cyber incident response plan[4].

In addition, the Australian Government's review of the Privacy Act **underpins the need for issuers to lift standards**. This review foreshadows many key changes, such as a new definition of "personal information", new civil penalty provisions for mid/low-tier breaches, tighter transparency obligations for organisations collecting personal data, and empowering consumers to make informed decisions[5].

[3] Cross-jurisdictional Information Access Survey 2023 (oaic.gov.au)

[4,5] ASIC calls for greater organisational vigilance to combat cyber threats | ASIC

Cybersecurity

There are **particular sub-issues** within the corporate governance space that amplify the complexity of addressing cybersecurity challenges:

- Investors, proxy advisors, clients and other stakeholders expect cybersecurity responsibilities to be placed on directors given their duty to **act with care and diligence**. For instance, major proxy advisor Glass Lewis includes BitSight cybersecurity rating score in their proxy reports, **giving investors an actionable data point** of the resilience of your cyber strategy.
- During the 2023 AGM season we observed a notable trend of **increased votes against the re-election of directors who were members of risk committees** at corporations which suffered data breaches. This signifies a growing demand for accountability in their oversight of cyber governance and risk.
- Boards are expected to understand cyber risks and have specific skills at their disposal, either within their membership or ready to hand from specialist advisers. However, **there is a skill shortage in this field** making these expectations challenging to fulfill.
- **Issuers find it hard to disclose information** and assure investors that their cyber risks are being adequately managed without disclosing too much, as this could potentially reveal critical information that can be exploited by hackers.

Anticipating 2024: Mandatory climate disclosures and other ESG reporting requirements

Significant changes to listed companies' sustainability and climate-related reporting requirements were established at both national and global levels during 2023 and will take effect from 2024.

New reporting standards have set a common baseline for non-financial disclosures globally, while in Australia, mandatory climate-related disclosures will likely come into effect for larger corporations, including ASX-listed companies, **from 1 July 2024** unless stated otherwise by the current consultation.

These new reporting requirements will impact not only the way issuers report on ESG factors but how well companies integrate those considerations into their business strategies and operations. Inevitably, these changes will **heighten scrutiny of disclosures by investors**, regulators, and service providers such as ESG ratings agencies.

Internationally, the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB) have consolidated under the IFRS Foundation's **International Sustainability Standards Board (ISSB)**, which published two new standards in June 2023:

- **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information** is a guideline for companies to disclose all their sustainability-related risks and opportunities that have a financial implication.
- **IFRS S2 Climate-related Disclosures** sets out the requirements to disclose specific climate-related information based on the recommendations previously made by the TCFD.

Both standards are focused on **meeting the information needs of investors**. This new baseline is intended to provide reporting entities with a **clearer and simplified data collection** and reporting process, ensuring information is comparable and understandable for investors as the providers of financial capital.

Complementing these international measures, in June 2023 **the Australian Government committed to the implementation of mandatory climate disclosures** and alignment with the global reporting requirements, in the context of the local statutory framework and financial reporting standards.

In October 2023, the Australian Accounting Standards Board (AASB) published an exposure draft of new **Australian Sustainability Reporting Standards (ASRS)**. The proposed disclosure requirements are set out in three draft standards:

1. *ASRS 1 General Requirements for Disclosure of Climate-related Financial Information,*
2. *ASRS 2 Climate-related Financial Disclosures, and*
3. *ASRS 101 References in Australian Sustainability Reporting Standards.*

ASRS 1 and ASRS 2 are based on IFRS S1 and S2 respectively, with some variations (for instance, using language to be suitable for not-for-profit organisations as well as for-profit entities and initially focusing on climate only). ASRS 101 provides a listing of Australian and international source documents that are referenced in the ASRS Standards.

Consultation on the draft ASRS requirements closed on 1 March 2024, with reporting by larger entities to commence from the first reporting period after 1 July 2024 (and in subsequent years for smaller entities). However, this timeline is subject to the successful passage of the legislation.

For investors, **these new regulatory developments are also a game-changer**, allowing them to shift their focus away from simply encouraging greater disclosures to how well and seriously companies are implementing their sustainability and climate-related strategies, under a common reporting framework. These regulatory changes are increasing the level of rigour through which investors will scrutinise issuers.

Meanwhile, the adoption of common and comparable reporting standards will reduce the scope for misleading or overstated disclosures, while **companies will also remain under intense scrutiny** from the Australian Competition & Consumer Commission (ACCC) and the Australian Securities & Investments Commission (ASIC) regarding any 'greenwashing' practices.

The shift towards mandatory climate-reporting is also becoming the new norm globally with countries including **New Zealand, Hong Kong, United States, United Kingdom and those in Europe** leading the way.

A pathway to simplification

Although it seems like the 'alphabet soup' of ESG reporting is becoming more complex, these changes mean that **sustainability and climate-related reporting are finally on a pathway to simplification**, standardisation and effective universal application.

For ASX issuers seeking to stay ahead of the curve, adapting quickly and embracing these changes is an **opportunity and a source of competitive advantage**.

Issuer proposed climate resolutions

Say on Climate resolutions are non-binding proposals put forward by companies to seek shareholder endorsement of their climate risk management, targets and transition plans.

After a significant spike in 2022, when eight ASX300 companies submitted Say on Climate proposals, in 2023 there were just three, from Orica, Incitec Pivot and Westpac. All these proposals were passed by more than 90% support.

The decline in the number of Say on Climate resolutions does not signify a reduction in issuers' focus on climate risks in the Australian market. Rather, the explanation lies in a combination of the following:

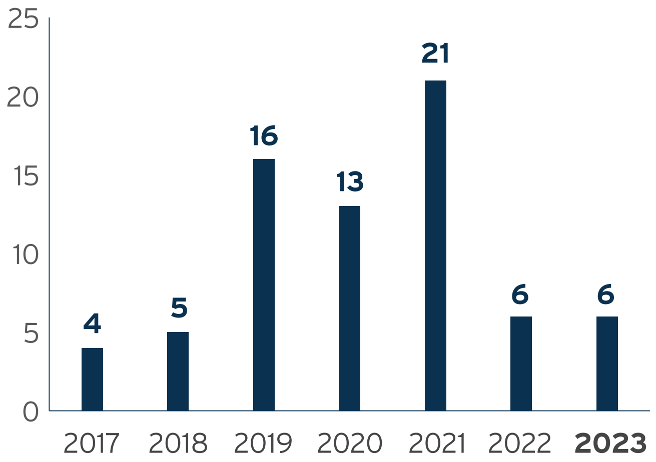
- The vast majority of ASX issuers that submitted climate reports for shareholder approval did so in 2021 and 2022, with a general commitment to seeking further approval every three years. Consequently, **their next formal Say on Climate proposals are not expected until FY2024 or FY2025**.
- Most of the focus in 2023 was on the imminent introduction of mandatory climate disclosures for large reporting entities for reporting periods after July 2024 (as discussed on page 20). These new provisions will **increase the consistency and comparability of climate disclosures** across the market according to common reporting standards, making endorsement of company-specific disclosure requirements less necessary.

Say on Climate

Shareholder proposed climate resolutions

There were significantly fewer shareholder proposals[6] seeking specific actions from issuers on climate-related topics in 2023 compared with previous years. The six issuers were Santos, Woodside, Whitehaven, New Hope Corporation, National Australia Bank and Westpac.

Number of issuers receiving climate-related shareholder proposals ASX300



There are several factors contributing to the lower incidence of shareholder proposals:

- The first is the **inherent difficulty of passing these resolutions** under Australia's regulatory structure given they are not formally put to a shareholder vote unless the company's constitution is amended.
- As noted earlier, the emphasis shifted towards the introduction of mandatory climate disclosures for future corporate reporting, while **several companies voluntarily adopted Say on Climate proposals in 2022 and 2023**. These factors combined to make the submission of company-specific shareholder proposals by activist NGOs a less compelling strategy than previous years.
- Shareholder proposals on other topics such as **diversity and inclusion, culture and biodiversity** are slowly starting to gain traction, in contrast to a lower number of climate-related resolutions from shareholder activist groups.

[6] i.e. proposals submitted by a requisite number of shareholders, but opposed by management. These are distinguished from Say on Climate votes (as discussed on the previous page) that are proposed by management as advisory resolutions.

The 2023 AGM landscape

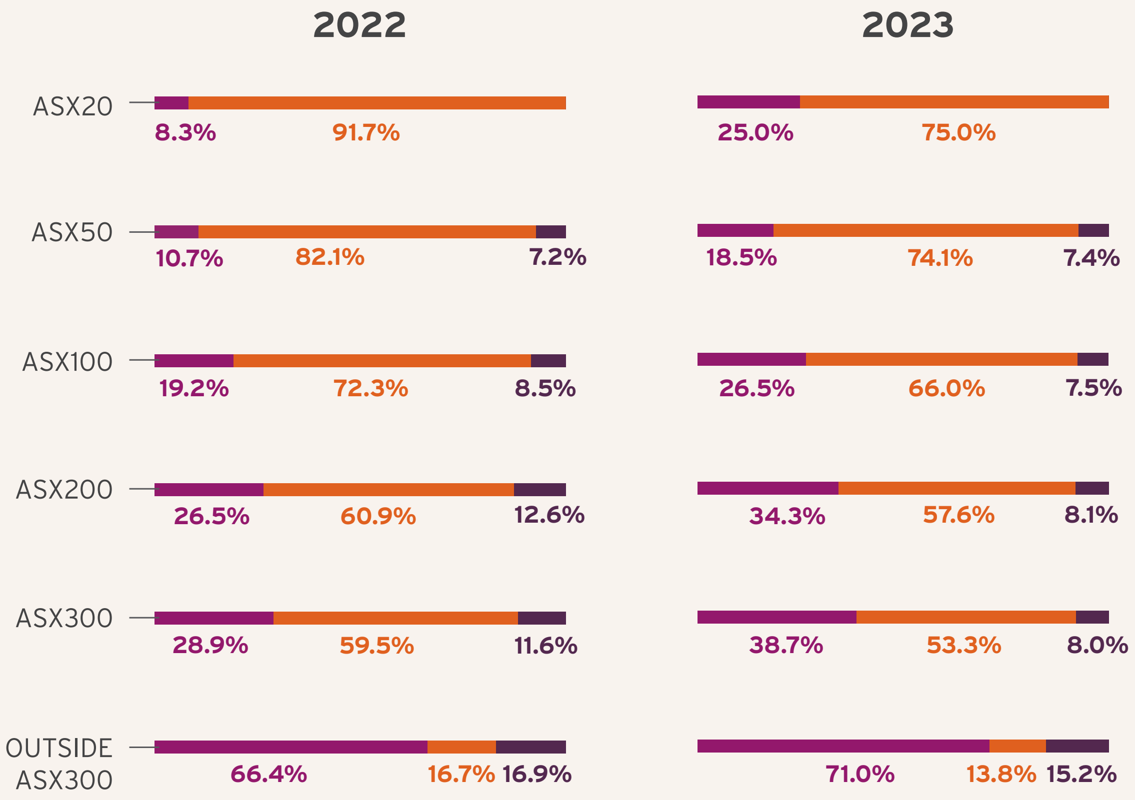
An overview of meeting format, attendance and voting trends

<RETURN TO CONTENTS>

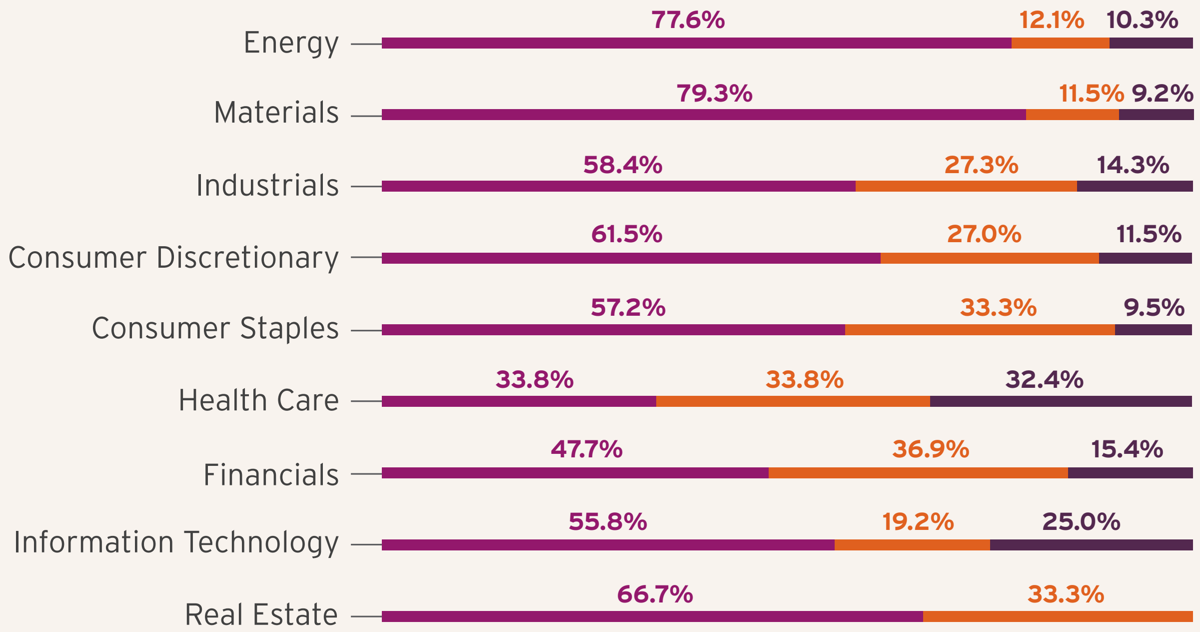
How meetings were held in 2023

The preference for in-person meetings in 2023 increased by a combined 17% for our clients in the ASX200 and the ASX300.

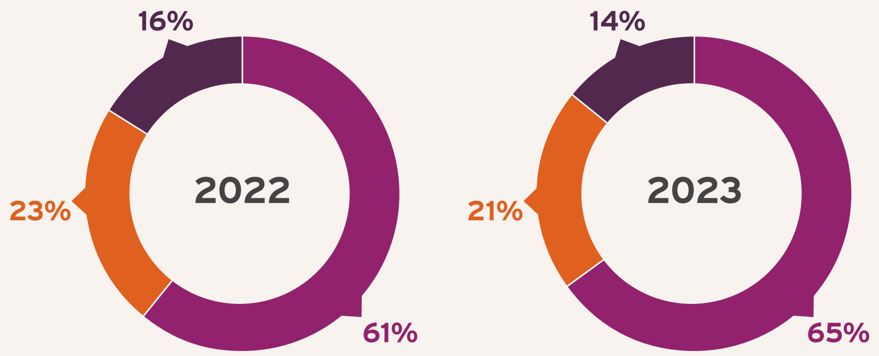
AGM FORMAT BY ASX INDEX



AGM FORMAT BY SECTOR



MEETING FORMAT



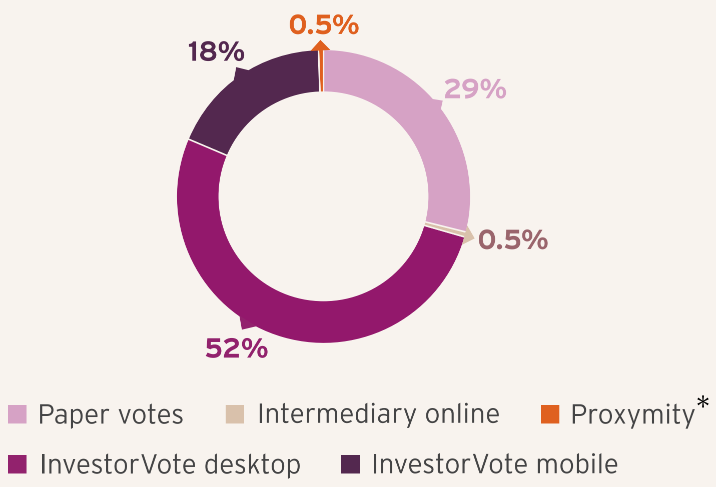
LEGEND In-person Hybrid Virtual

Embracing technology

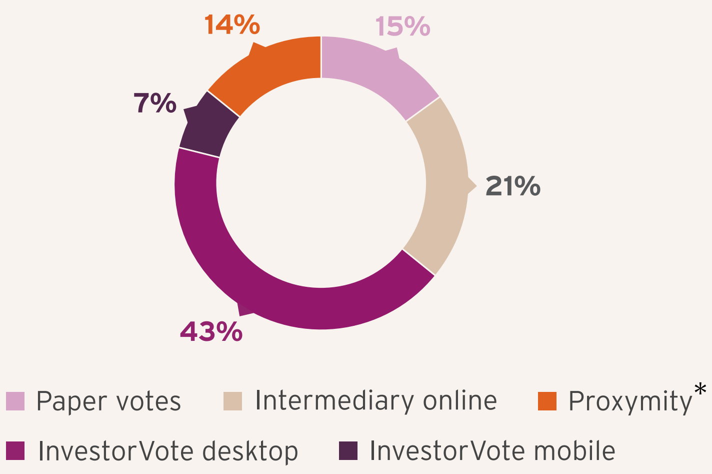
Since 2019, we have seen shareholders increasingly adapt to digital communications and online participation at meetings.

Following changes to the meetings legislation in 2021, on average only 2% of shareholders receive a printed Notice of Meeting.

VOTING CHANNELS – USED BY SHAREHOLDERS

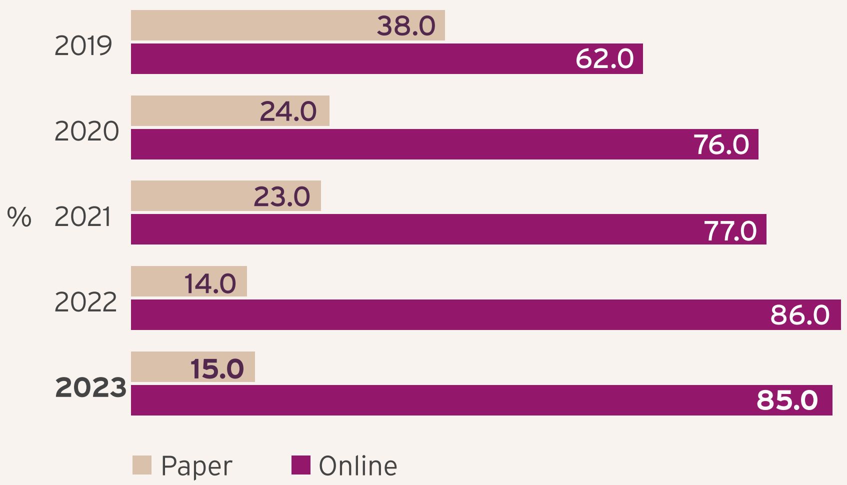


VOTING CHANNELS – BY VOTES RECEIVED



* Proxymity is the leading digital investor communications platform. In May 2020, Computershare became a founding consortium partner in this platform with BNY Mellon, Citi, Clearstream, Deutsche Bank, HSBC, J.P. Morgan, and State Street. Proxymity modernises the custodian and institutional voting process, delivering real-time engagement between issuers and their beneficial holders.

PERCENTAGE OF VOTES RECEIVED ONLINE VS PAPER

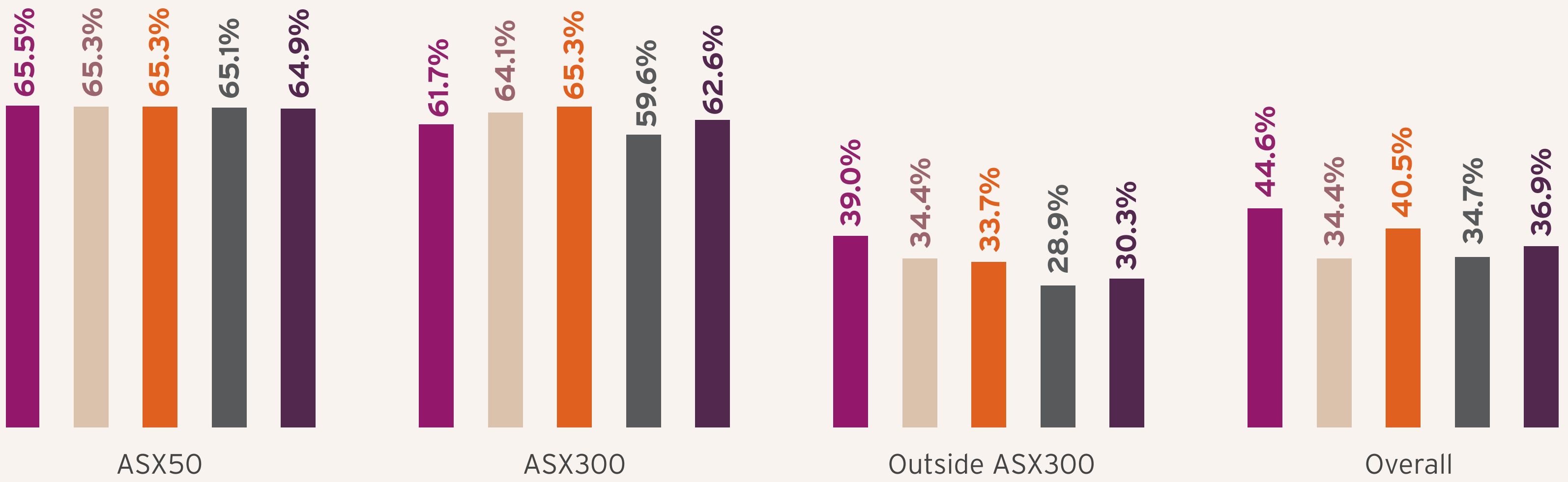


In 2023, 85% of shareholders voted online, this has increased by 23% since 2019

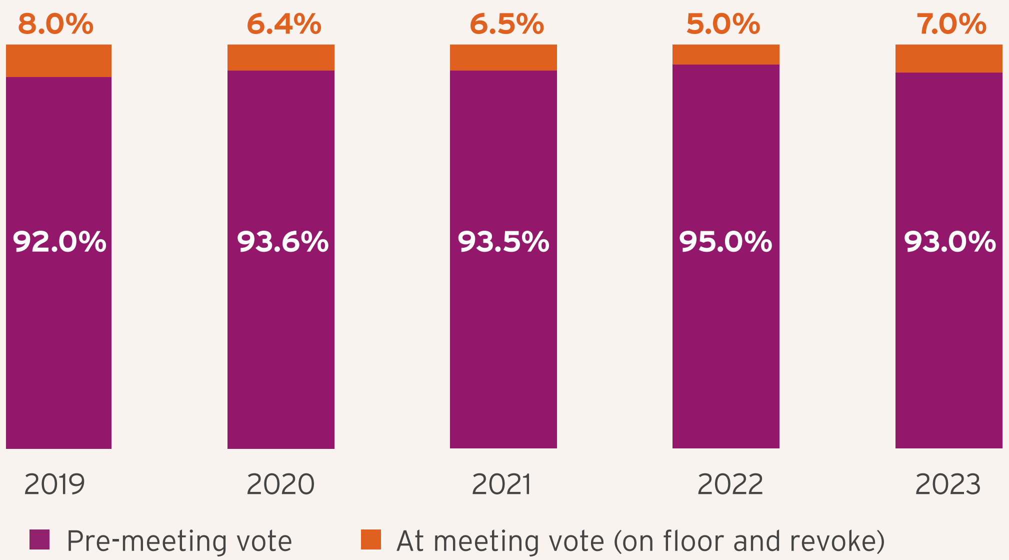
Shareholder voting trends

The overall percentage of issued capital voted increased by more than 2% to 37% in 2023

ISSUED CAPITAL VOTED BY ASX INDEX



WHEN SHAREHOLDERS VOTE

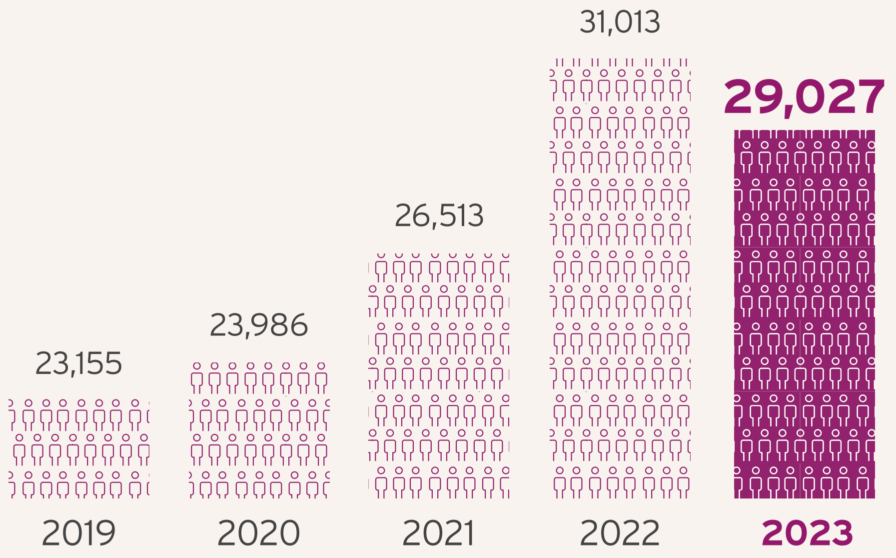


The majority of votes continue to be lodged prior to the meeting

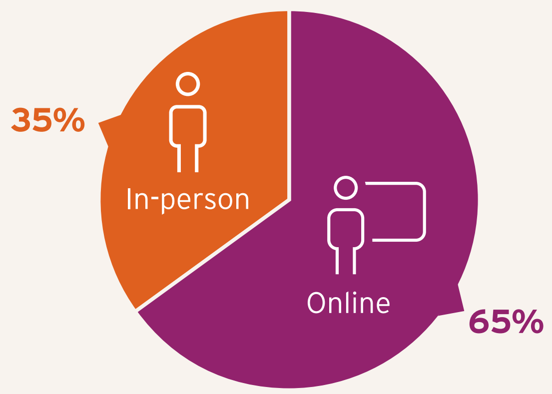
Meeting attendance

We saw a slight decrease in attendance in 2023, largely impacting companies in the ASX50

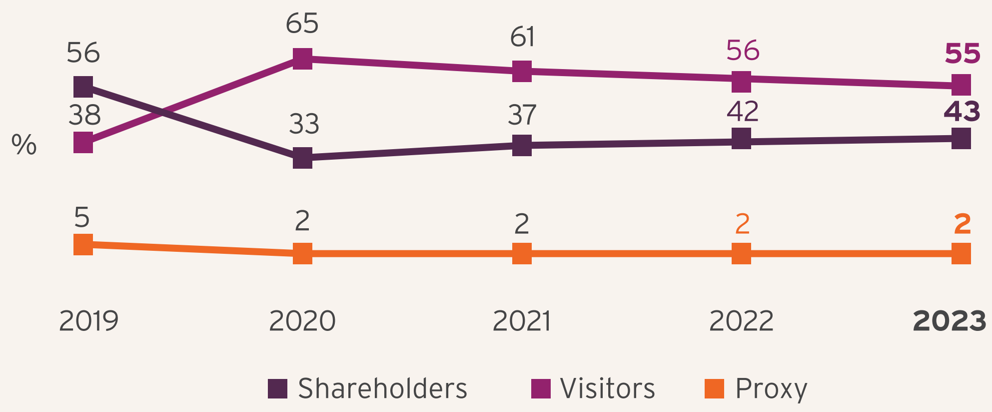
TOTAL ANNUAL AGM ATTENDANCE



HYBRID MEETING ATTENDANCE



ATTENDANCE BREAKDOWN



Global perspectives

A look at AGMs across the globe

‹RETURN TO CONTENTS›

Continental Europe

Following the COVID pandemic, many countries in continental Europe have revised their legislation for general meetings to be held virtually.

Now in the second year, we have seen large companies maintaining the virtual format and improving processes. For example, shareholders can now complete their speeches and questions live via video and audio transmission. Smaller companies are returning to physical meetings, due to cost constraints, and considerations due to risk and technical expertise. The growing Climate Activism at shareholder meetings in Continental Europe is causing a lot of larger companies to remain with a virtual meeting.

We see continued pressure from climate activists who are attending shareholder meetings singing, chanting, screaming and putting pressure on management to lower their carbon foot print earlier and CO^2-emission levels. Some of the activist groups, like Extinction Rebellion, are getting more aggressive during the meeting. In the Netherlands we have also seen MilieuDefensie rallying up shareholders to join training sessions on how to behave at shareholder meetings, and in return receive a refund on their investment made in that company. They also conducted a TV campaign to convince managers to think about the future and to reduce CO^2-emissions.

Large groups of shareholders attended AGMs and continuously asked the same question causing some meetings to last 90 minutes longer (and the chair had to suspend the meetings multiple times). Shareholder groups and Institutional investors in the Netherlands have now asked boards to take further measures to create a safe environment at AGMs and have a dedicated and time limited session on ESG, so other topics can be discussed.

Kirsten van Rooijen
CEO, Issuer Services, Europe

Hong Kong

Throughout the 2023 peak meeting season, we have witnessed many companies returning to their pre-COVID preferences of in-person.

This return to in person shows that companies value the opportunity for in person interactions with shareholders. It is also pleasing to see companies continuing to explore meeting technology and how it can facilitate greater shareholder engagement.

Around one-third of companies holding a virtual or hybrid meeting did so for the first time in 2023.

The volume of meetings that recorded over 100 attendees grew five-fold. However, when compared to 2019, we have not yet returned to the same level of attendance overall.

Shareholder gifts continue to play a part in the meeting landscape, serving as a token of appreciation from companies to shareholders.

Richard Houng
CEO, Issuer Services, Asia

During the 2023 meeting season, Computershare supported UK clients to successfully deliver 484 meetings, 381 of which were AGMs.

As the market returned to ‘normal’ post-pandemic, more issuers returned to in-person meetings, driven by cost of facilitating online engagement and low online shareholder engagement in previous years.

In 2023, we saw a decrease in the attendance of registered shareholders, and an increase in third party and corporate representative appointments and guests. This change indicates that an increasing number of shareholders are holding their shares in custody accounts and therefore are not receiving direct invitations to annual meetings.

There was also an increase in shareholder activism from organisations such as Stop Oil and Share Action in 2023, which targeted several issuers on business practices and ethnicity reporting.

Mark Cleland

CEO, Issuer Services, UCIA

United States

In 2023, our team managed 1,183 annual meetings.

As the corporate landscape continues to change, annual meetings and investor expectations around ESG issues are evolving as well.

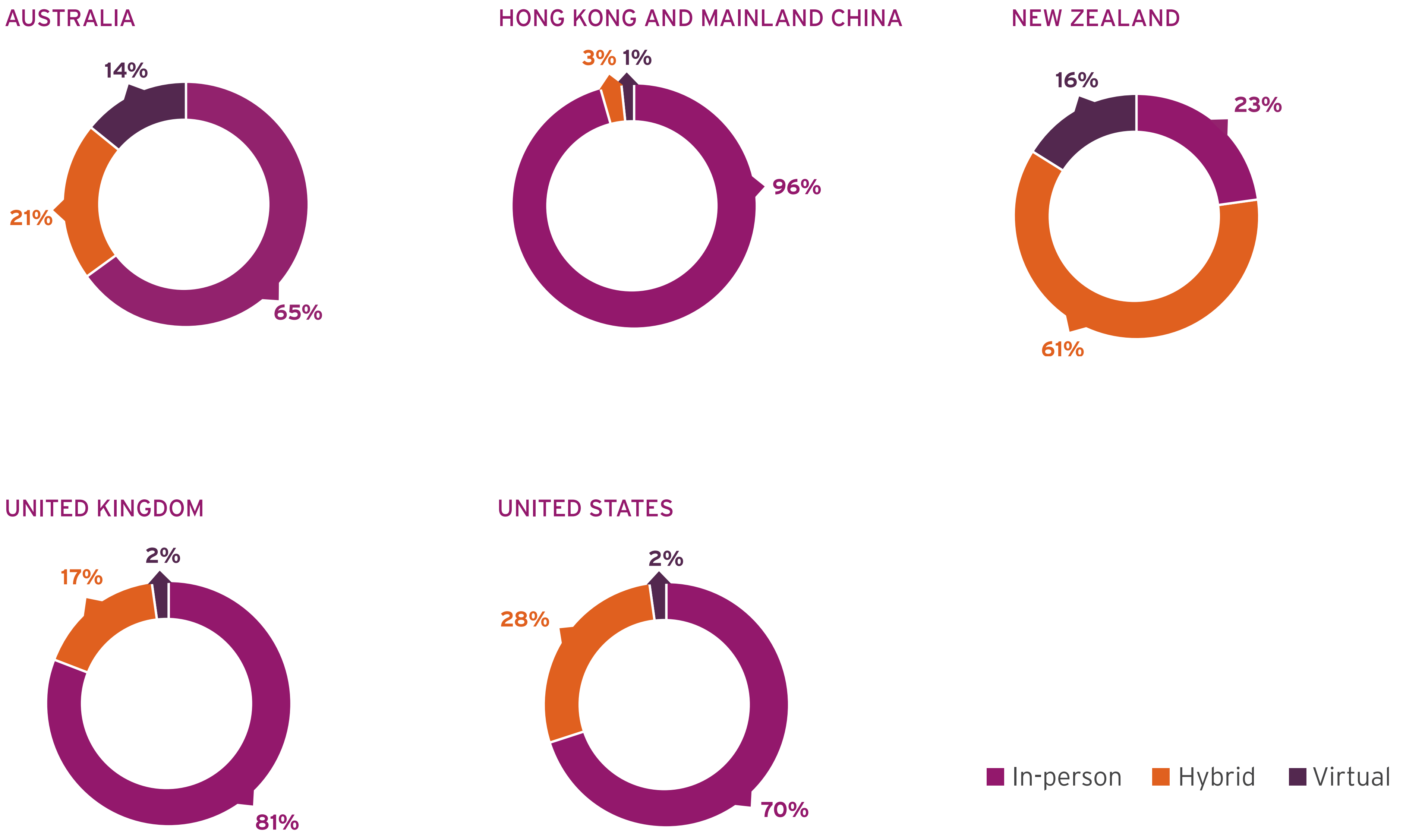
In 2023, U.S. companies saw an increase in the number of ESG-related shareholder proposals that were submitted and voted on at annual meetings, continuing a year-on-year trend that we observed in 2022.

Anti-ESG proposals also increased by 5% from 2022 to 2023, the majority of which were related to social topics. Yet the number of such proposals receiving majority support has declined significantly this year.

Support for director elections and executive remuneration, "say-on-pay" advisory votes, remained relatively consistent with last year.

Ann Bowering
CEO, Issuer Services, North America

Meeting formats



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 www.computershare.com/au

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.

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