Australian AGM Intelligence Report

Analysis of meeting trends and key governance themes arising throughout 2024

Computershare | Georgeson

Georgeson provides an overview of the full Australian meetings season, while the data provided in our AGM summary covers companies for which Computershare is the share registrar.

Contents

Introduction

We are pleased to release the Computershare and Georgeson Australian AGM Intelligence Report, which examines meeting trends and emerging governance themes.

Throughout 2024, Computershare supported our Australian clients to successfully deliver over 900 meetings. We continue to witness stability in the format chosen to conduct an AGM with most of our clients holding their AGM as they did in 2023. While the preference for hybrid meetings is strong with S&P/ASX100 companies, the in-person format remains the most utilised across all indices.

Over the last 12 months we have seen a continuation of some pivotal trends in proxy voting and shareholder engagement.

Protest votes against remuneration reports continued to dominate, both in number and severity, with the number of strikes remaining steady at 40. We also saw an increase in the number of second strikes (12), which suggests that many companies are not completely addressing feedback received after a first strike, therefore increasing shareholder concerns related to unresolved issues.

Targeted votes against directors continue to highlight actual and perceived shortcomings in companies' governance structures and practices, with almost 100 instances of 10% or more votes 'against' board-endorsed-candidates across 70 companies within the S&P/ASX300.

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

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

Marnie Reid
CEO
Computershare Issuer Services
Australia and New Zealand

Scott Hudson
Managing Director
Georgeson
Australia and New Zealand

Insights from 2024:

- The chosen format of AGMs remained in line with 2023, indicating companies have returned to stability in how they conduct their meeting.
- Remuneration strikes remained steady at 40.
- Director elections continued to be a target of shareholder dissatisfaction with 70 companies receiving a 10% no-vote.
- Overall issued capital voted increased by 7.9%.
- Investor engagement throughout the year remains key to managing and addressing issues prior to the distribution of the notice of AGM.

Corporate Governance

Highlights from Georgeson's latest AGM Review which examines key and emerging governance issues across the S&P/ASX300.

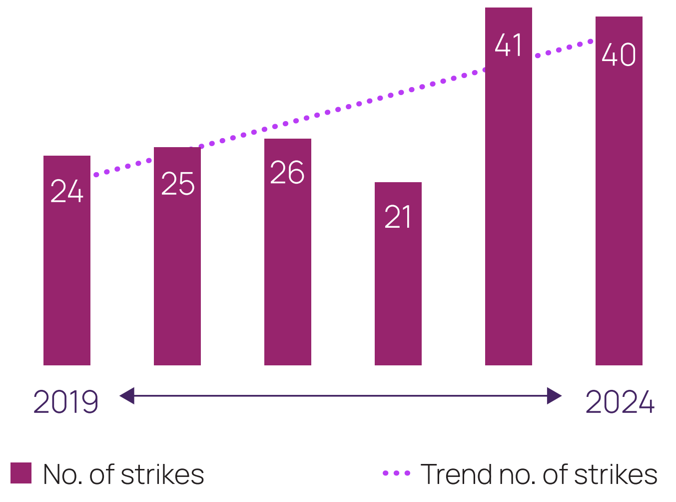
< RETURN TO CONTENTS >

To read the full report click here

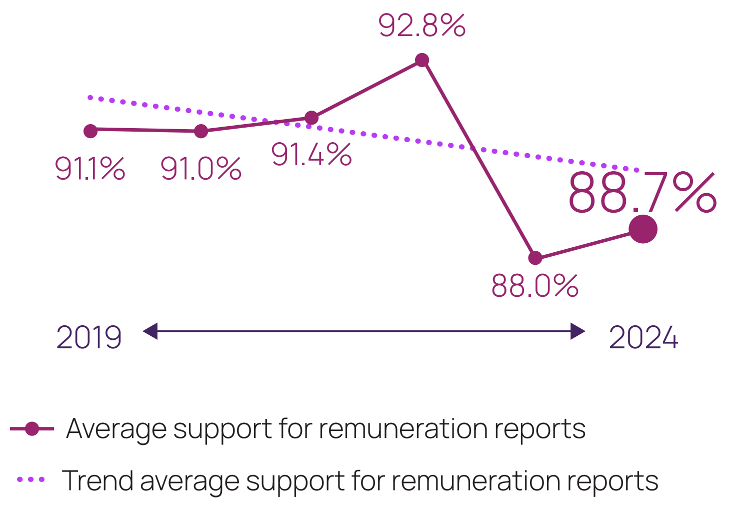
Five year AGM result analysis — Key highlights

Remuneration: The number of strikes[1] in 2024 remained high, reaching 40[2] in total, including a significant number of second strikes (12), with a marginally recovering trend of average support for remuneration reports.

Number of remuneration strikes in the S&P/ASX300 (2019-2024)

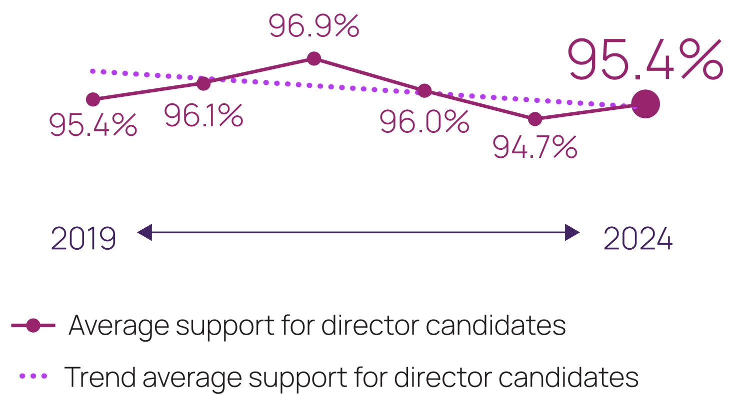


Average support for remuneration reports in the S&P/ASX300 (2019-2024)



Director elections: Average support for director nominees remained stable in 2024, but the number of resolutions where directors received significant votes against[3] was lower than 2023.

Average support for S&P/ASX300 board nominated director candidates (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.

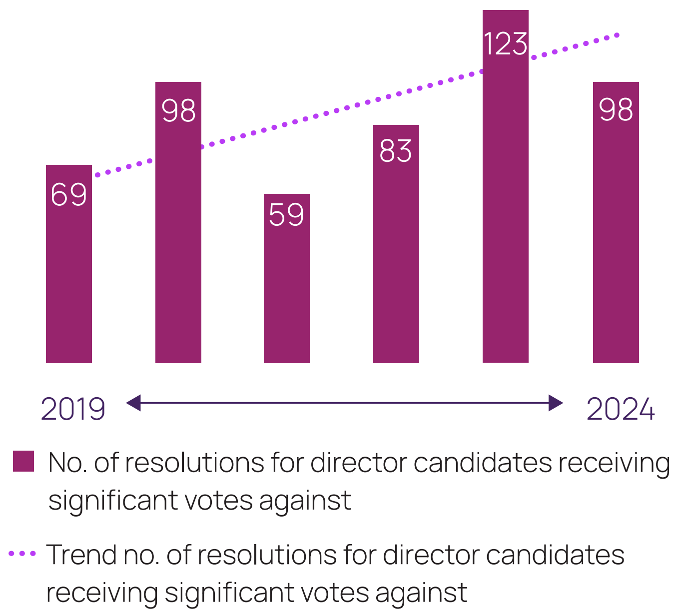
[2] Note that two of the companies that experienced votes of 25% or more 'against' their remuneration report in 2024 — **Life360** and **James Hardie Industries** — are domiciled overseas, with secondary listings via Chess Depositary Instruments (CDIs) in Australia. This means they are technically not subject to the formal legal impacts of the Australian two-strikes rule. However, we have included them in our tally of 'strikes' as they are listed on the ASX and experienced shareholder votes of more than 25% against their remuneration report or equivalent at an AGM held during 2024.

[3] Significant votes 'against' a director nominee refers to negative votes of 10% or more received.

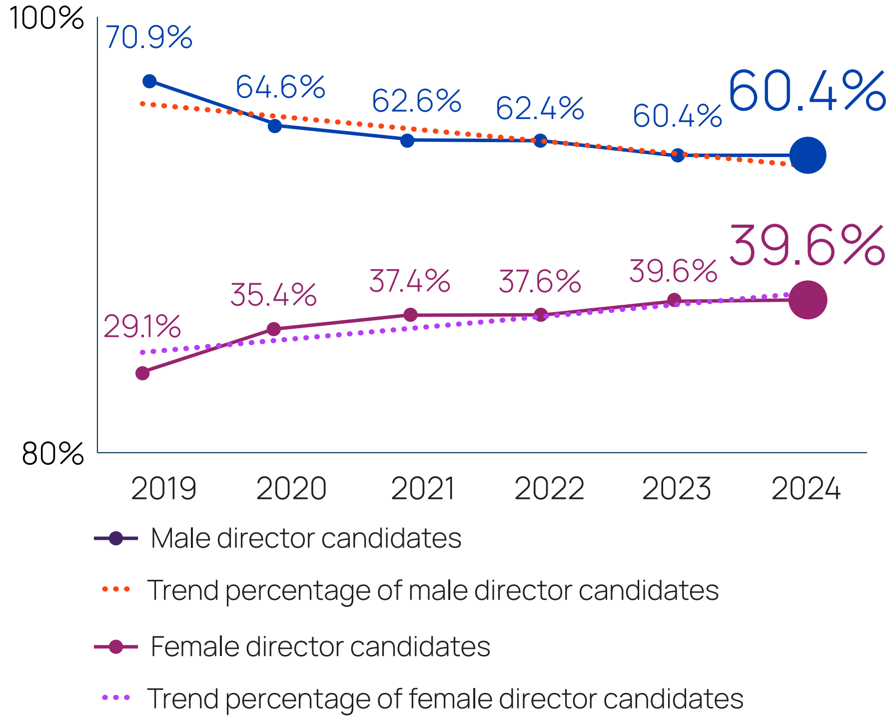
Director elections (cont)

Gender diversity[4]: Female participation is increasing through the election/re-election of more female directors than in previous years (2019-2022), but the S&P/ASX300 has not achieved 40% female board members[5, 6].

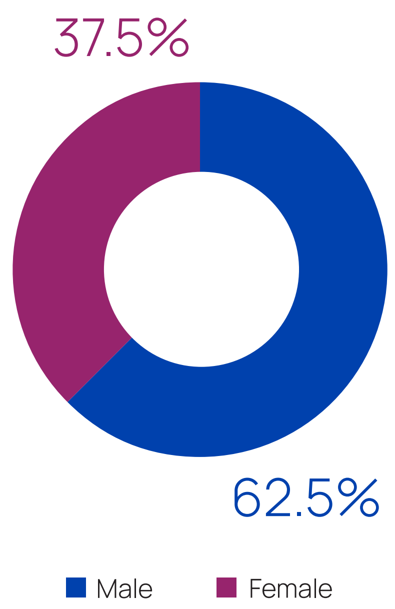
Number of resolutions for S&P/ASX300 board nominated director candidates receiving significant votes against (2019-2024)



Percentage of male and female board-nominated director candidates in the S&P/ASX300 (2019-2024)



Snapshot of male and female directors at all S&P/ASX300 companies (Dec 2024)



[4] Data for S&P/ASX300 boards is reported under the categories of male and female.

[5] Analysis by The Australian Institute of Company Directors (AICD) March 2024 states 36.9% female board members in the S&P/ASX300. Our calculations show an increase at the end of 2024 with 37.5%.

[6] BoardEx search for all S&P/ASX300 listed companies in December 2024.

Executive remuneration

Shareholder scrutiny and activism continues

A standout data point from 2024 was the repeated high occurrence of strikes against remuneration reports under Australia's unique two-strike rule.

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.

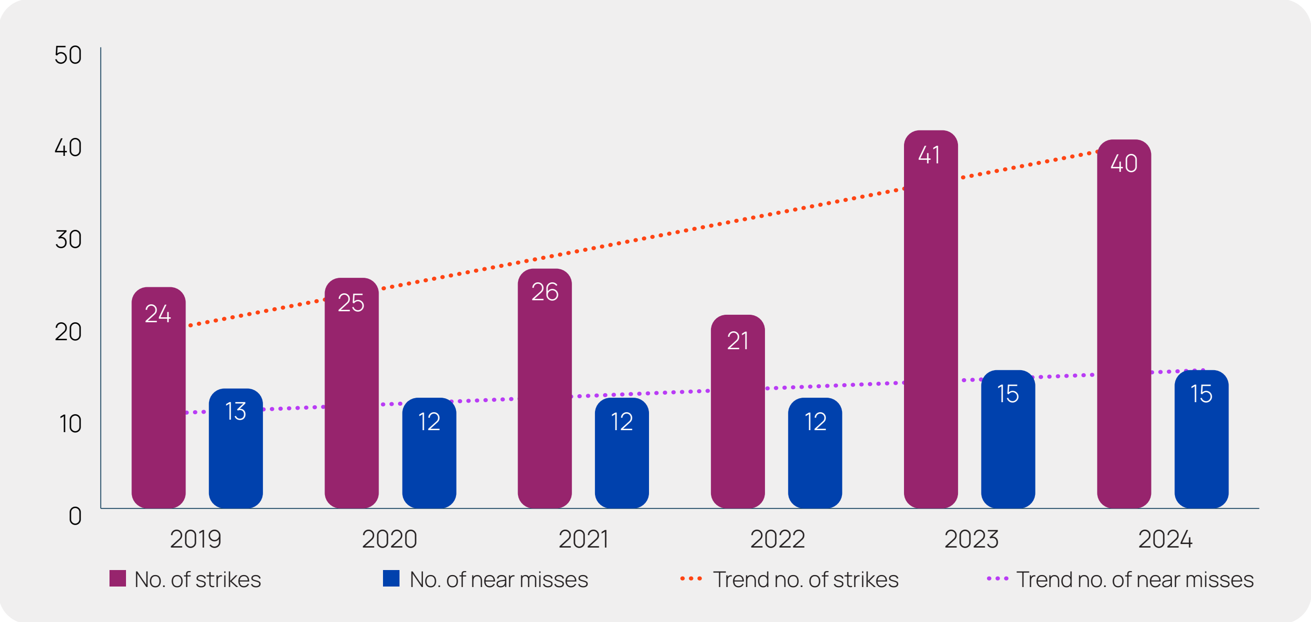
In the words of one leading industry columnist, the remuneration report vote has moved beyond its original intended focus on remuneration structure and shareholder alignment to become in effect **"an annual referendum on sentiment around a company"** as a whole[7].

Numbers, severity and year-on-year comparisons

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, 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 S&P/ASX300 (2019-2024)



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

Moreover, the severity of strikes continued to scale new heights, with the highest 'against' vote reaching 88.1% at **Perpetual Limited**.

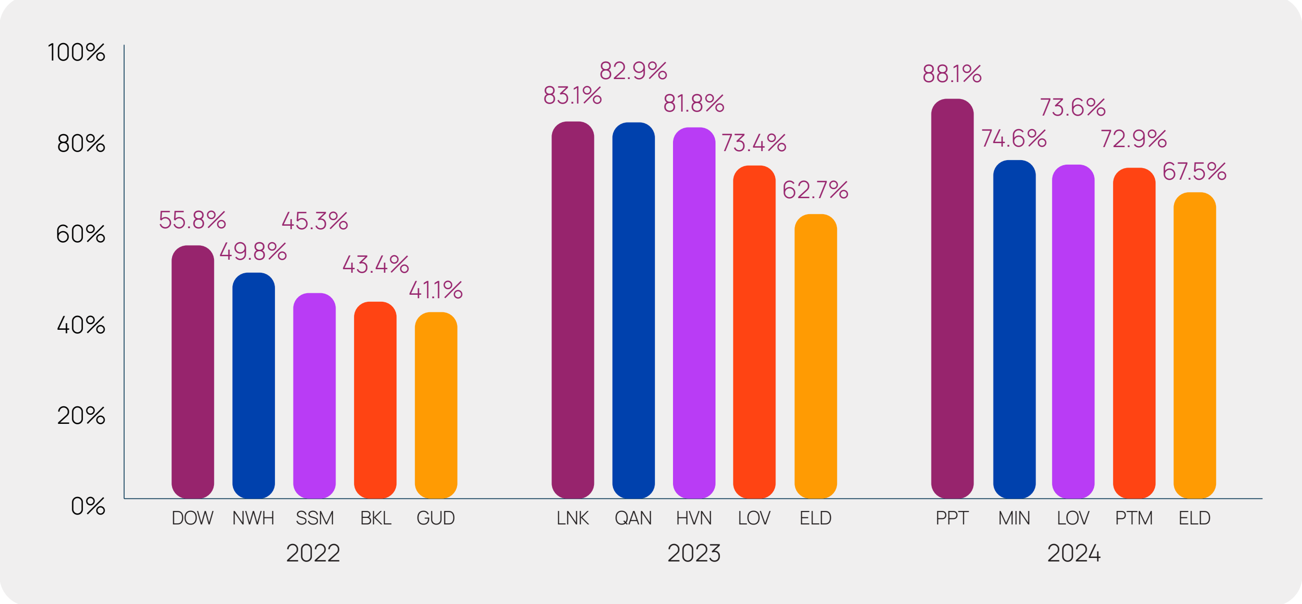
This result eclipsed the very large 'against' votes at **Link Group** and **Qantas** in 2023 and fell just short of the all-time-record vote of 88.4% 'against' at **National Australia Bank's** 2018 AGM at the height of the Financial Services Royal Commission.

A further four remuneration reports received 'against' votes exceeding 60%: **Mineral Resources** (74.6%), **Lovisa Holdings** (73.6%), **Platinum Asset Management** (72.9%) and **Elders** (67.5%).

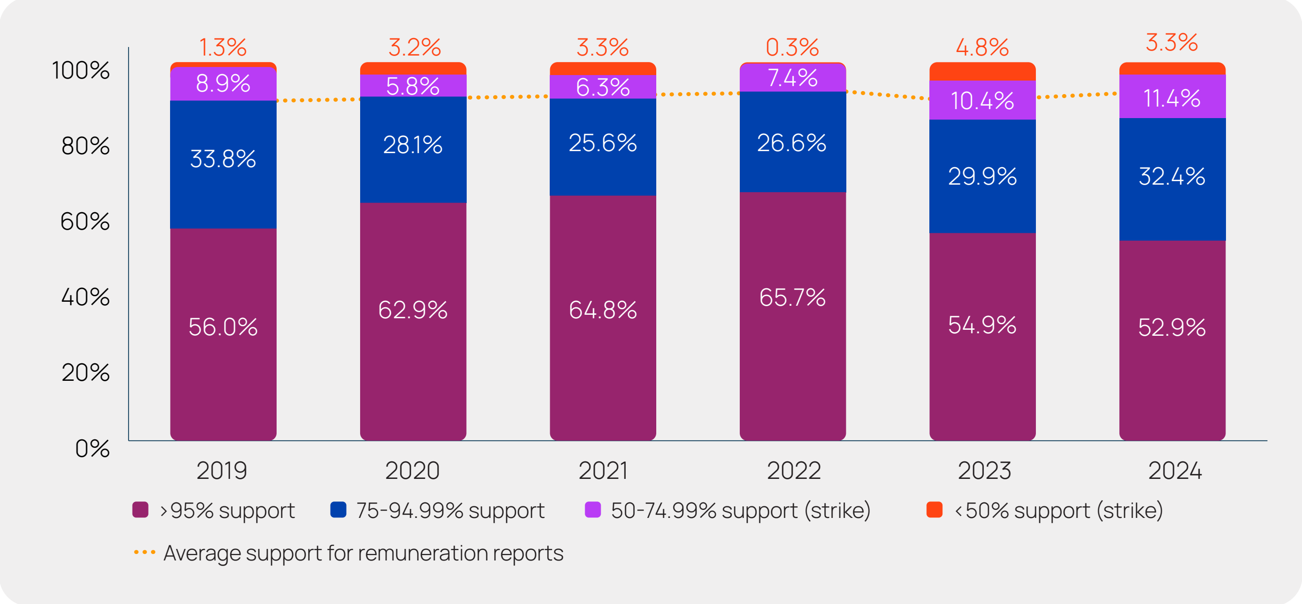
A further four companies received 'against' votes of over 50%:

Kogan.com	58.3%
Sandfire Resources	56.1%
Healius	55.0%
Clinuvel Pharmaceuticals	52.1%

Top five highest votes 'against' S&P/ASX300 remuneration reports (2022-2024)



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

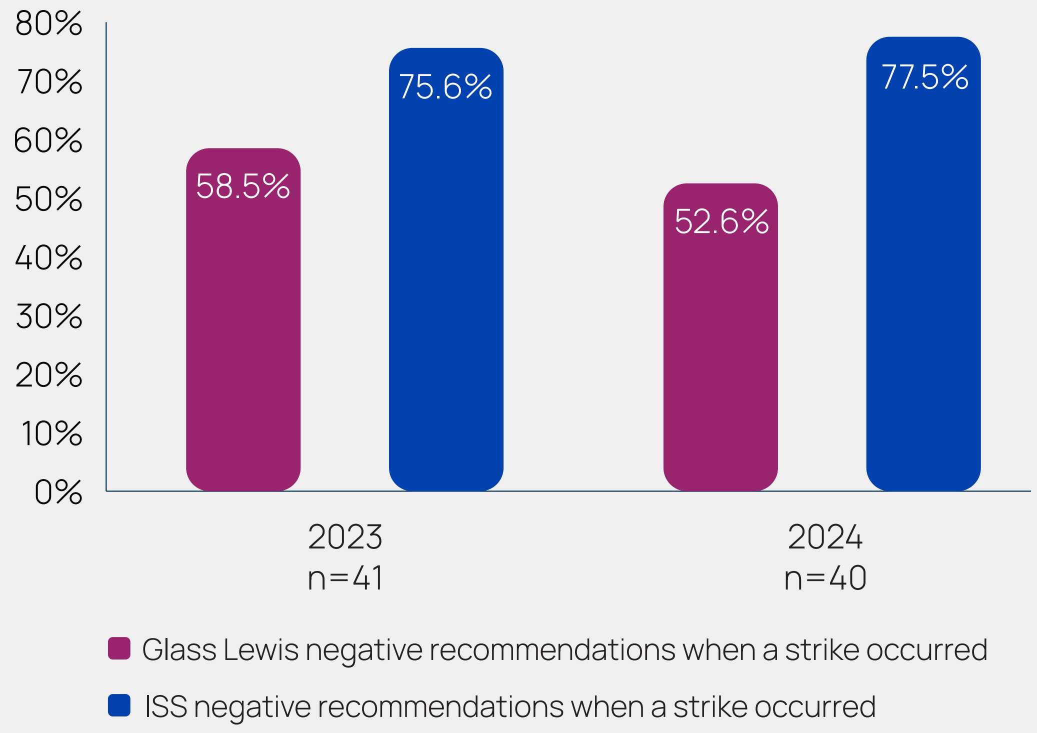


Across the S&P/ASX300 we observed a decline in the percentage of companies receiving over 95% support for their remuneration reports. This was accompanied by a slight increase in overall average support since 2023 but remains lower than the 2019-22 period.

Finally, the voting recommendations of proxy advisors also appear to have influenced these results. For example, Institutional Investors Services (ISS) recommended 'against' 75.6% of the remuneration reports of those issuers who received a strike in 2024 and 2023. CGI Glass Lewis (Glass Lewis) recommended 'against' 52.5% of those in 2024, a 6% decrease from the previous year.

The severity of strikes combined with the increasing number of second strikes and the lower percentage of companies receiving significant support for their remuneration structures, are all indicators that a 'new normal' of heightened shareholder scrutiny has emerged and may continue in 2025 and beyond.

Glass Lewis and ISS influence the results of S&P/ASX300 companies receiving a strike (2023-2024)



Georgeson key takeaways on remuneration strikes

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

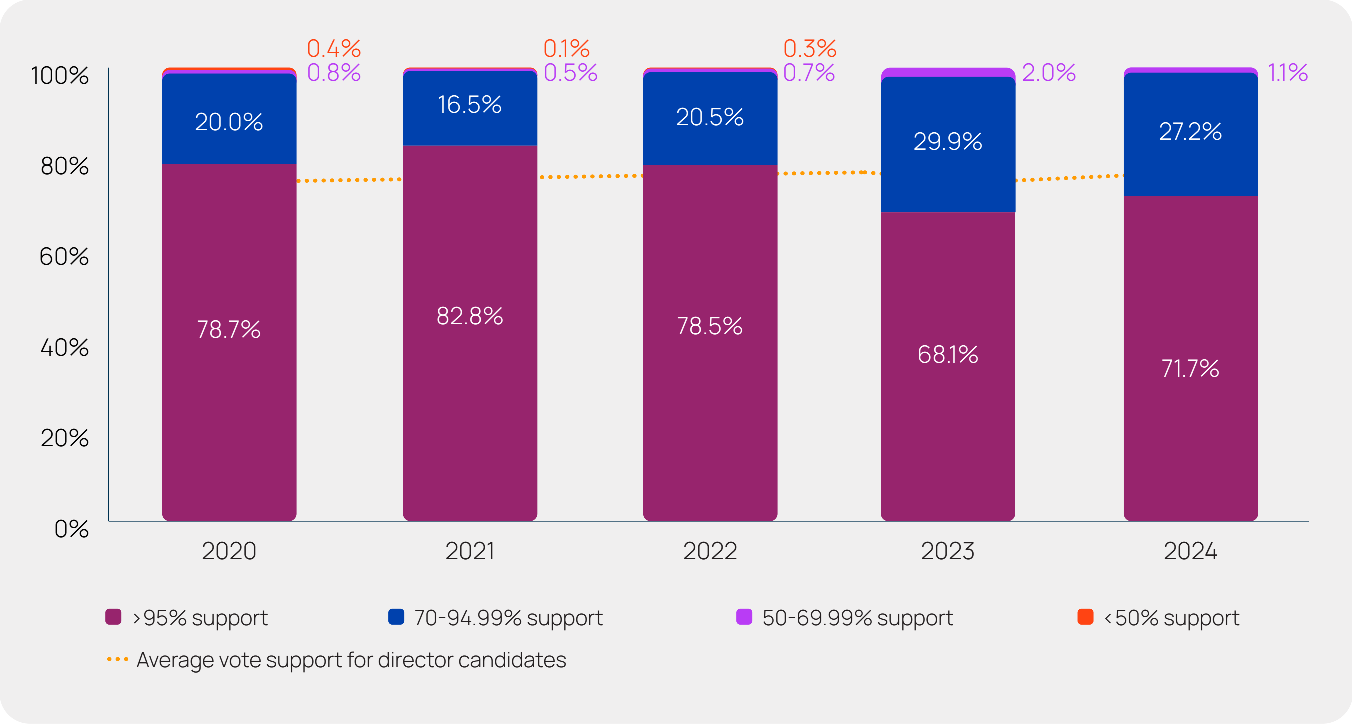
Targeted votes against directors

A mainstay in the investor governance toolkit

Aside from votes 'against' remuneration reports, 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, as noted in the figure below with 71.7% of director nominees in 2024 receiving over 95% of support, a recovery from 2023 when only 68.1% of directors received over 95% of support.

Support for board nominated director candidates in the S&P/ASX300 (2020-2024)

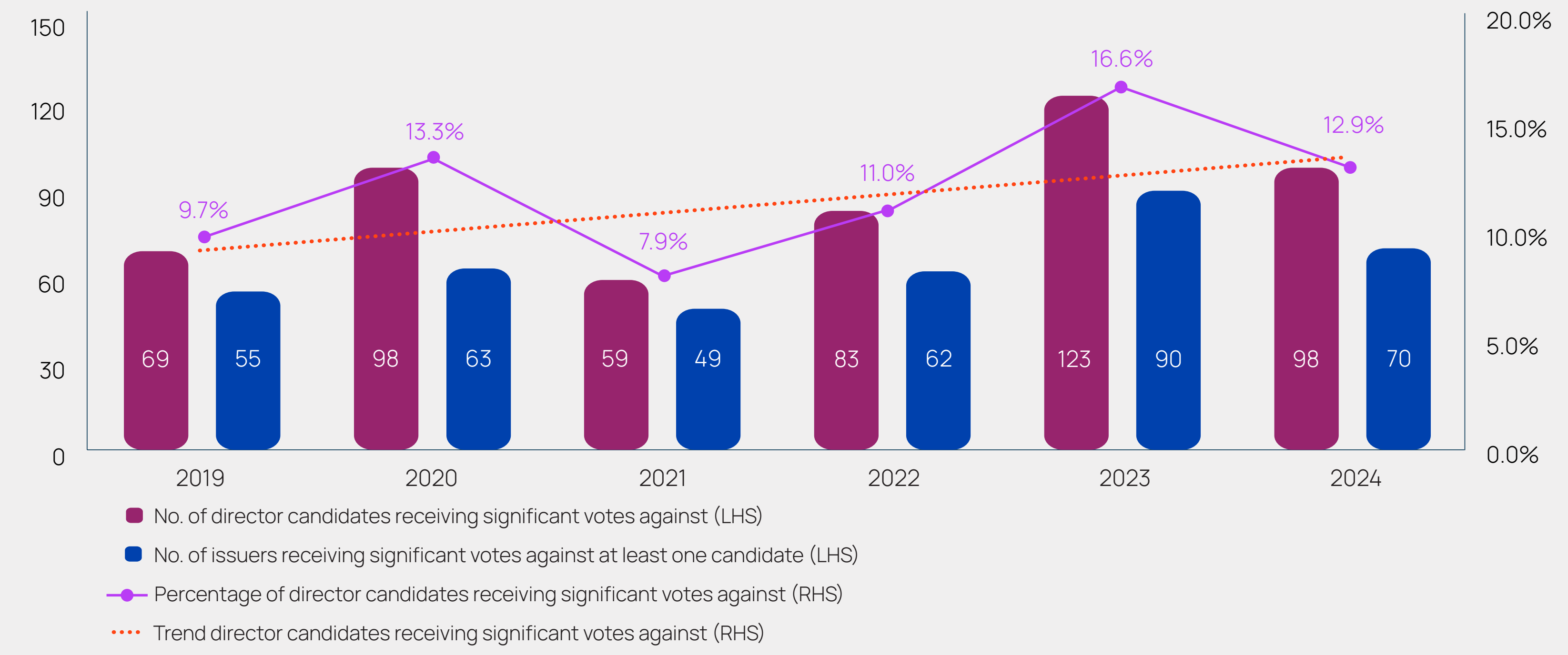


Against this background, it is naturally of some concern to boards when individuals receive levels of support that are meaningfully below this high average approval threshold, while still comfortably meeting the 50% threshold for successful election.

Some candidates receiving lower support than their peers on the same ballot or attracting what might appear to be targeted push-back 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)



In 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%.

The highest single instance was an 'against' vote of 49.1%[8], a result that came perilously close to the candidate's election being defeated by shareholders, a rare occurrence in the Australian market.

[8] This instance was the re-election of a director who served as chair of the Remuneration Committee at Kogan.com

Georgeson key takeaways on director elections

- 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 10% or more votes 'against' director candidates to better understand investors' perspectives around key governance and board structure issues.
- These voting results are important 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.

Board gender diversity

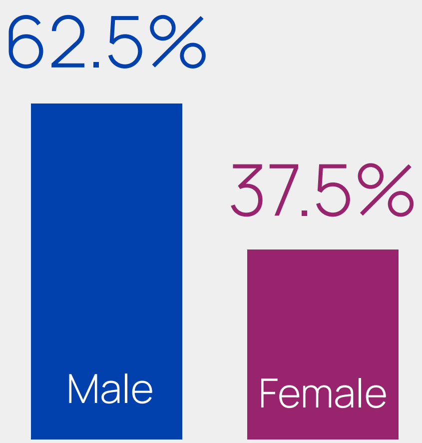
Board gender diversity pipeline

The Fourth Edition of the ASX Corporate Governance Principles and Recommendations, published in 2019, included guidance that boards of ASX-listed entities should aim to have not less than 30% of their directors of each gender[9]. This market standard has played a significant role in Australia being amid the few countries in the world to have surpassed this target[10].

The Consultation Draft of the Fifth Edition of the ASX Principles, released in February 2024, raises this target to at least 40% women, at least 40% men and up to 20% any gender — known as the **40/40/20 ratio**. The updated Principles are expected to be published in early 2025 and to take effect for company reporting periods after 1 July 2025.

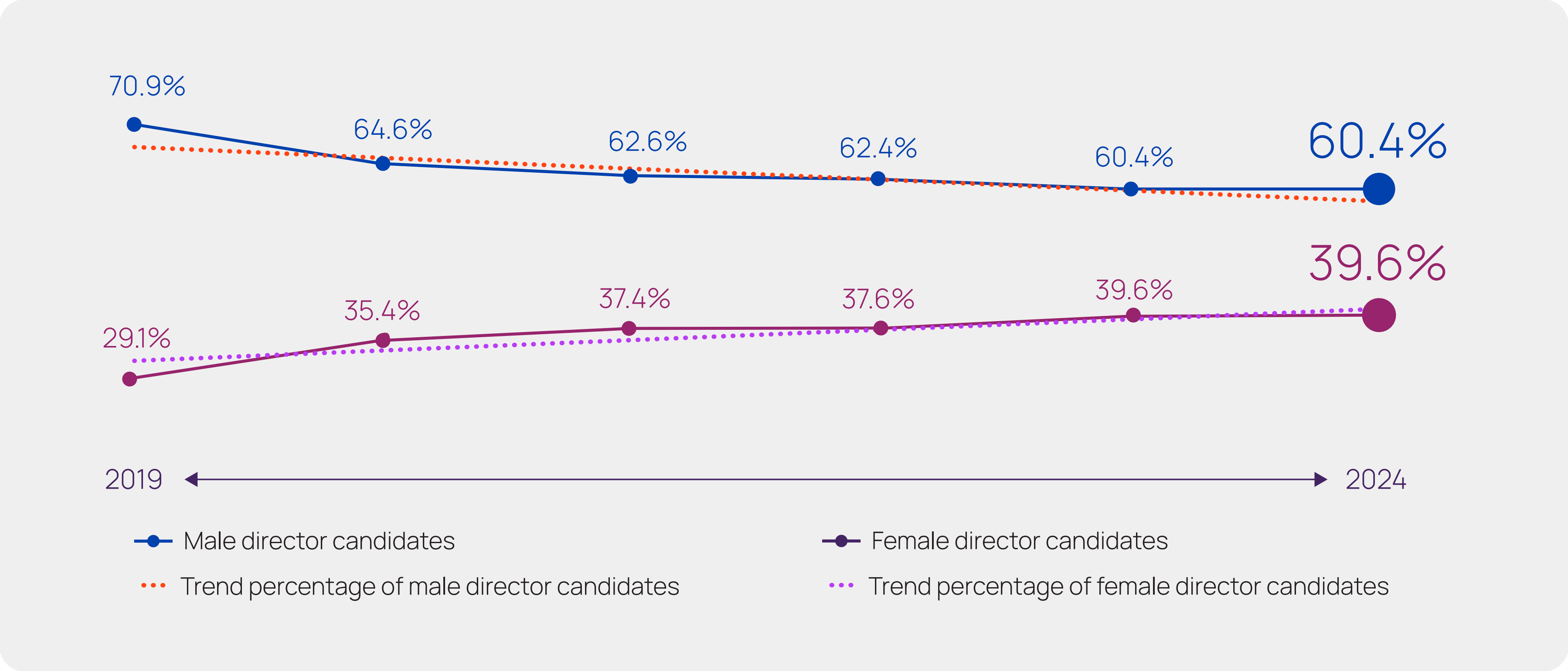
Snapshot of current male and female directors at all S&P/ASX300 listed companies (Dec 2024)

The 40/40/20 goal has already been achieved by many Australian corporations including all of the top S&P/ASX20[11]. However, the broader S&P/ASX300 boards currently sit at 62.5% males and 37.5% females.



[9] ASX, Corporate Governance Principles and Recommendations (4th Edition), February 2019
[10] ASX, Corporate Governance Principles (5th Edition), Submission from the 30% Club Australia, May 2024
[11] AICD, Gender Diversity Progress Report, June 2023

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



In terms of total director nominees at S&P/ASX300 companies in 2024 (i.e. including both appointment of new directors and re-election of incumbents), the 2024 results are consistent with 2023 with no significant progress in the last year. However, when considering the 2019-2024 trend the increase in female representation is above 10% over the past five years.

Director election results provide a key data point to estimate when changes in the gender balance will occur across the S&P/ASX300 boards. Given that the percentage of both female and male directors' nominees have remained largely unchanged for two consecutive years, closing the gender gap will continue to pose a significant challenge, unlikely to be achieved in the short term absent a significant uplift in the proportion of new female candidates put forward for election.

Finally, it is important to consider that for several years we have observed a surge in the number of institutional shareholders voting 'against' the election of board members due to lack of gender diversity on the board. Since the gender gap has improved, this kind of voting rationale is slowly shifting to other types of diversity such as age, cultural background and ethnicity, amongst others. Additionally, diversity across executive teams is also becoming more relevant for investors.

Georgeson key takeaways on board gender diversity

- Many major companies, investors and proxy advisors already follow the "40/40/20" initiative and if the proposed new Corporate Governance Principles become effective, these diversity goals will be further reinforced.
- The challenge for many corporations is to avoid approaching this issue as a tick-the-box exercise given that board members must also meet other strict requirements including skills and experience.
- While some industries face difficulties finding female candidates, it is essential that this does not become a justification for the lack of gender diversity. Ensure your key stakeholders understand these challenges and find the right balance between skills and diversity.
- Work on a plan to achieve 40% female representation at both board and executive levels as the "tone" flows down from the top to the rest of the company. Greater equity on a board can not only positively influence corporate culture but also provide a more realistic view about how customers and shareholders interact with the company.

Shareholder resolutions and Say on Climate

Declining but not to be under-estimated

For many years, shareholders have lodged resolutions under Section 249N of the Corporations Act, with the intention of seeking a specific disclosure improvement and/or strategic change at target S&P/ASX300 companies.

Shareholder resolutions are a major tool used by ESG-focused NGOs, notably **Market Forces** and **The Australasian Centre for Corporate Responsibility (ACCR)**, primarily seeking improved climate disclosures and more ambitious emission reduction targets at major ASX-listed banks and resources companies.

These resolutions may be submitted with direct support from ESG-focused superannuation funds or co-sponsoring investors, with the lead NGOs agitating strongly through public advocacy and social media campaigns to gain greater support from other investors.

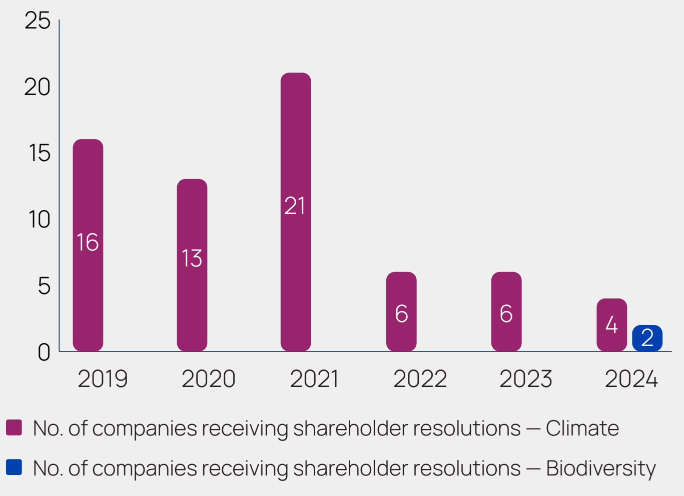
A common target for these campaigns is superannuation funds whose members are sometimes more receptive to the underlying ESG concerns, compared to professional portfolio managers or stewardship professionals.

This approach has created significant stakeholder management challenges for both issuers and institutional investors in many high-profile situations over the last decade.

On the decline

As illustrated, the prevalence of climate-related shareholder resolutions has declined significantly in 2024, with just four companies receiving climate-related proposals and two receiving nature-related proposals, down from a peak of 21 companies in 2021[12].

Number of S&P/ASX300 companies receiving climate biodiversity-related shareholder proposals (2019-2024)



The relatively small incidence of shareholder proposals sets Australia's equity market in stark contrast to other developed market jurisdictions such as the US, UK and Europe where the use of shareholder proposals is much more prevalent, particularly among environmentally-focused NGOs and activists[13,14].

[12] For the purpose of this analysis we have excluded companies that received shareholder proposals relating to issues other than climate disclosure and biodiversity, in order to provide comparable data for each year.
[13] Computershare 2024 US Annual Meetings Report
[14] Georgeson 2024 European AGM Season Review

Say on Climate

In the case of climate disclosures, shareholders in many major companies can also express dissent against (or endorsement of) climate transition plans through "Say on Climate" votes.

Typically, they are a way for companies to explain the progress they are making towards decarbonisation goals using their own metrics and targets and alignment to global reporting standards, rather than those proposed by activists.

The most common outcome of Say on Climate votes in Australia (and other jurisdictions) has been strong majority support, largely reflecting agreement by shareholders that meaningful improvements have been made in the companies' decarbonisation goals, disclosure practices and progress to date.

Say on Climate resolutions are a relatively new form of management-initiated voting proposal introduced across many global markets, including Australia in 2021, in large part to avoid the more adversarial alternative of shareholder-requisitioned proposals seeking very specific or prescriptive outcomes.

Georgeson key takeaways on shareholder proposals and Say on Climate

- Although climate-related shareholder proposals have decreased in number, the way issuers respond to mandatory disclosures will likely shape the strategies that activists will apply in future. The topic remains relevant with investors considering climate change a material risk for all companies.
- We expect that investors will continue to see climate as a major financially material risk and expect issuers to respond accordingly, despite the recent winding back of some climate-related investor collaborations and government commitments.
- Nature and biodiversity risks are at this stage less widely-embraced by investors. However, it is expected that as global initiatives on these topics become more mainstream, shareholder and management resolutions around these topics will gain traction.
- Conducting a materiality assessment to understand how relevant these environmental topics are is key to approaching engagement with investors.

Proxy advisor influence on voting results in 2024

One interesting topic to explore from the 2024 S&P/ASX300 AGMs experience is the extent to which voting outcomes were influenced or driven by recommendations from proxy advisors.

Who are they?

Proxy advisors are external service providers engaged by institutional investors to analyse proposals being put forward for a shareholder vote. They engage with companies and/or proponents of shareholder proposals, undertake benchmarking and peer comparisons, and make recommendations on how their subscribers should vote.

There are four major proxy advisors servicing the institutional investor market in Australia. Two of these — **ISS** and **Glass Lewis** — are the local operations of large global businesses, covering thousands of company meetings every year, and holding strong relationships with large offshore institutions.

The other two major providers — **Ownership Matters** and **Australian Council of Superannuation Investors (ACSI)** — are local specialists focusing specifically on the Australian market.

Most institutional investors — fund managers and super funds, whether domestic or offshore-based — subscribe to research from at least one proxy advisor, with some institutions subscribing to two or even three.

Consequently, the degree of coverage of a particular company's investor base by any given proxy advisor can vary quite significantly, depending on the composition of its register, the degree of foreign versus domestic holders, active vs indexed investors, ASX market index location or other factors.

Broad categories of proxy advisor voting guidelines

The 'house' guidelines under which proxy advisors operate are generally referred to as their **benchmark policies** and are typically published and updated for each major equity market annually.

Many large investors, however, have **custom** policies which differ from the benchmark policies in certain ways (e.g. the definition of director independence and requirements around board gender diversity amongst others). These are still managed under the proxy advisors' mainstream research processes, in some cases producing different voting recommendations than the benchmark policy recommendations to accommodate the custom policy.

And finally, there has been a marked increase in **thematic** or specialty voting policies provided by proxy advisors for investors who wish to pursue a more targeted policy focused on particular investment themes or beliefs — most commonly ESG/Responsible Investment. We explore the emergence of these themed voting policies and some of their implications in our complete report, which you can read here

How influential are they?

Proxy advisors are regularly in the firing line from some sections of the corporate community and politicians for a variety of reasons including a perception that they inhibit entrepreneurship and commercial risk-taking by companies, lack accountability for their recommendations, pursue agendas that are unrelated to long-term value creation, and have an undue influence over investors' proxy voting decisions.

Similarly, there is a common refrain in the market that institutional investors routinely follow proxy advisor recommendations, to the exclusion of their fiduciary responsibility to make their own decisions in the best financial interests of their beneficiaries.

On the other hand, proxy advisor research is highly valued by institutional investors as an important adjunct to their own research and stewardship activities. These investors typically stand behind the independence of their voting decisions, the additional research and data they apply on top of proxy advisor recommendations, and the increased resourcing they apply to investment stewardship and active company engagement within their own organisations.

This debate has become a perennial one in the world of corporate governance engagement and will continue to be so.

The experience of voting data at S&P/ASX300 companies in 2024 adds some interesting evidence to this debate, suggesting that the actual situation is considerably more nuanced and multi-faceted than either side of the proxy advisor influence debate would have us believe.

Successfully navigating the complexities of the proxy advisory and investment stewardship ecosystems provides opportunities for companies to respond and positively shape the agenda, both in partnership and (where necessary) respectful disagreement with key institutional investors and their advisors.

Georgeson key takeaways on proxy advisor influence

- Individual proxy advisor recommendations and voting outcomes can sometimes seem puzzling to companies on the receiving end of adverse recommendations. However, deeper analysis and experience show the overall landscape is one of significant diversity, flexibility, and opportunity to positively influence outcomes.
- This is where Georgeson works with its clients to navigate AGMs, as well as other shareholder interactions such as scheme meetings, mergers & acquisitions, activism campaigns, capital raisings, and governance and ESG disclosure reviews.
- The key is targeted outreach and engagement tailored to the specific company's circumstances, and a focus on constructive engagement with priority shareholders, proxy advisors and, other stakeholders such as employees, NGOs, external lawyers or corporate advisors.

Nature and biodiversity risks

Fast emerging topics

Nature and biodiversity[15] risks are among the most pressing challenges for the global economy.

These hot topics are rapidly gaining traction in boardrooms, while legislation and global disclosure frameworks are progressing at a much faster pace than climate change once did. This advancement is observed not only among the “E” in ESG but across the broader corporate governance landscape.

In 2024, Australia has notably taken the leading role in shareholder activism globally with first of its kind shareholder resolutions to prevent the extinction of marine species during the last AGM season.

The Taskforce on Climate-related Financial Disclosures (TCFD) was founded in 2015, but it wasn’t until 2025 that the government implemented mandatory climate disclosure. By contrast, the Taskforce on Nature-related Financial Disclosures (TNFD) was founded in 2021 with final recommendations published in 2023 and mandatory sustainability disclosures being considered by the government for implementation soon.

The Australian Accounting Standards Board (AASB) has already announced that its forthcoming Sustainability-related standards will incorporate nature and biodiversity as key elements, aiming for implementation in the short to mid-term. Remarkably, it took only one year from the publication of voluntary standards to confirm future mandatory implementation for nature-related disclosures, compared to the decade-long timeline for climate-related frameworks.

In parallel, climate-related shareholder resolutions from main Australian activists date back to 2010[16] and have sharply declined in number since 2022. Over 12 years of persistent demands for corporations to disclose greenhouse gas emissions, set targets and commit to net-zero, the level of disclosure by different companies remains variable, pending the commencement of mandatory disclosures from mid-2025. Although we observed a decrease in the number of shareholder resolutions in Australia and in other countries like the US, we also saw the emergence of a new form of activism campaign relating to biodiversity issues, at leading retail companies **Coles Group** and **Woolworths Group**.

[15] It is important to clarify the difference between nature and biodiversity, where the first includes all the Earth’s features, processes and forces such as the weather, mountains, rivers, seas, etc whereas biodiversity only involves living organisms such as plants, bacteria and animals.

[16] Australian ESG Shareholder Resolutions — ACCR

In 2024, the shareholder advocacy platform SIX filed resolutions requesting these major retailers to:

1. Report on the impacts of the farmed seafood used in their private-label products on endangered species listed under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act).

2. Cease sourcing farmed salmon from Macquarie Harbour, Tasmania, by April 30, 2025.

The activist campaign stated that most of the salmon sold at these supermarket chains is farmed in Macquarie Harbour, Tasmania and its production is threatening the survival of a rare species, the Maugean Skate, destroying its habitat, to the point that its population has been reduced to only 40-120 adults. Although resolutions to amend corporate constitutions to allow such proposals garnered only 3.17% support at **Woolworths Group** and 6.5% at **Coles Group**, the campaign set a global precedent.

Notably, major global investors including **Norges Bank Investment Management** supported the resolutions, citing material sustainability risks to the environment, society, and corporate operations.

According to their guidelines, they favour well-founded shareholder proposals for reasonable disclosure, provided these do not impose prescriptive strategies or unrealistic targets. SIX's resolutions met these criteria by requesting financially material information rather than imposing directives.

SIX has launched other activist campaigns in 2024 including one against gambling advertising. Their tactics include the use of internet and social media, with a focus on younger investors and they may not always aim to engage with issuers before going public. Moreover, they also seem to target consumers i.e. urging people not to buy salmon from the targeted companies, so despite not receiving enough support during the AGM they aimed to influence other stakeholders, customers in this case, not just shareholders.

This context combined with the notion that institutional investors are already incorporating nature and biodiversity risks within their portfolios, means that investors are performing their own risk assessments which could potentially be less favourable than companies producing their own nature-related disclosures. Moreover, there are a growing number of initiatives driven by global investors with a focus on biodiversity such as Nature Action 100 and Finance for Biodiversity foundation amongst others.

In summary, these cases demonstrate how investors are acting like de-facto regulators in a topic that is fast evolving in corporate governance, and Australia has been among the first countries to experience it.

We expect nature and biodiversity to continue gaining momentum, with regulation becoming the market standard faster than expected. This leaves the majority of issuers who are not considering nature and biodiversity risks in a challenging position.

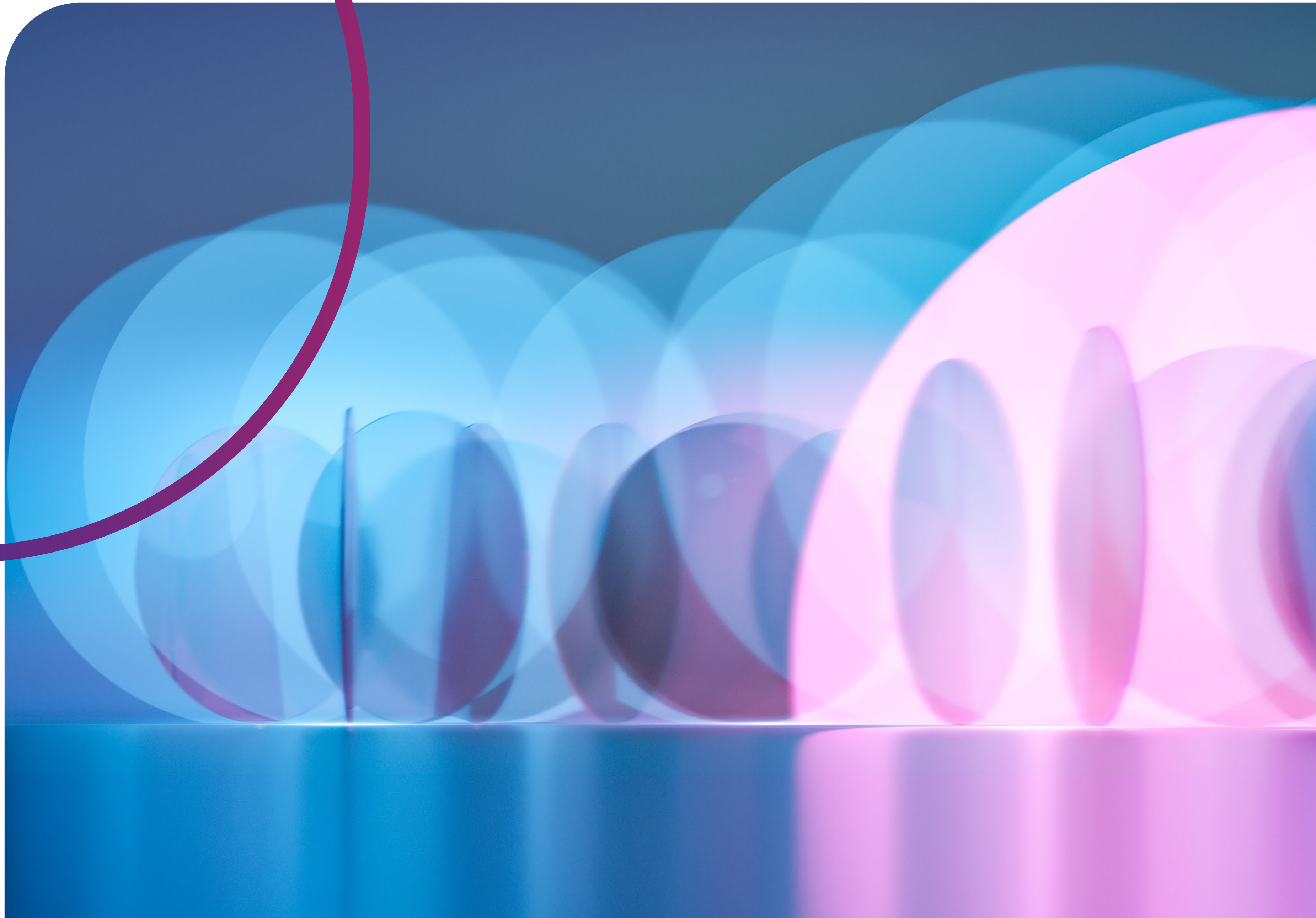
Georgeson key takeaways on nature and biodiversity risks

- The inevitable generational shift in wealth, driven by millennials, is reshaping activist strategies. NGOs in this space target young investors through social media and innovative platforms to send activist messages. This trend is likely to grow as the generational change accelerates.
- Prepare for activist campaigns that leverage digital channels to influence public opinion and market sentiment.
- Begin reporting against the TNFD framework, even if initial disclosures are incomplete.
- Engage proactively with investors and other stakeholders to address emerging nature and biodiversity risks.

The AGM landscape

The following statistics are derived from the 900 meetings Computershare conducted in Australia during 2024.

‹ RETURN TO CONTENTS ›



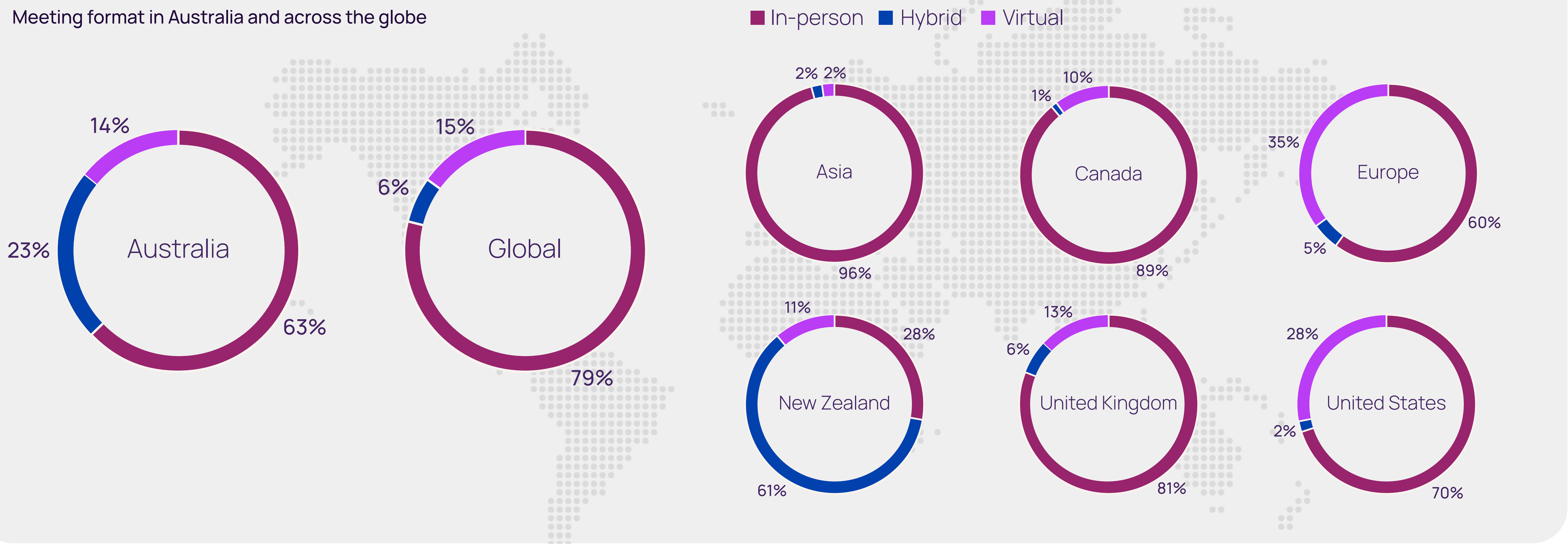
Meeting format

In Australia the format chosen for AGMs remained stable. Globally the preference for in-person meetings is clear, apart from in New Zealand where hybrid meetings are the strong preference.

Global insight

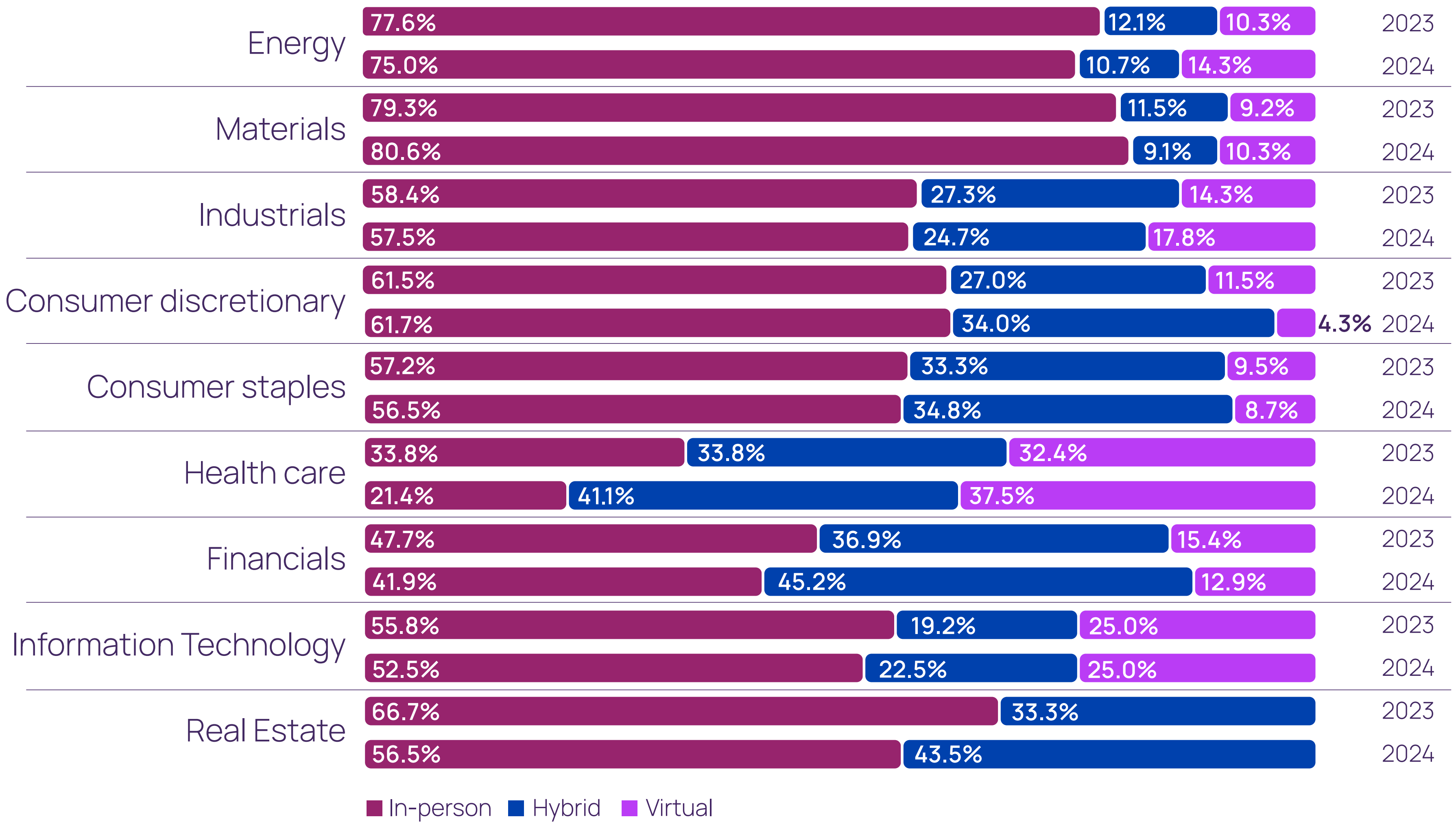
In Hong Kong, 96% of our clients chose to hold an in-person meeting.

Meeting format in Australia and across the globe



THE AGM LANDSCAPE

AGM format by sector

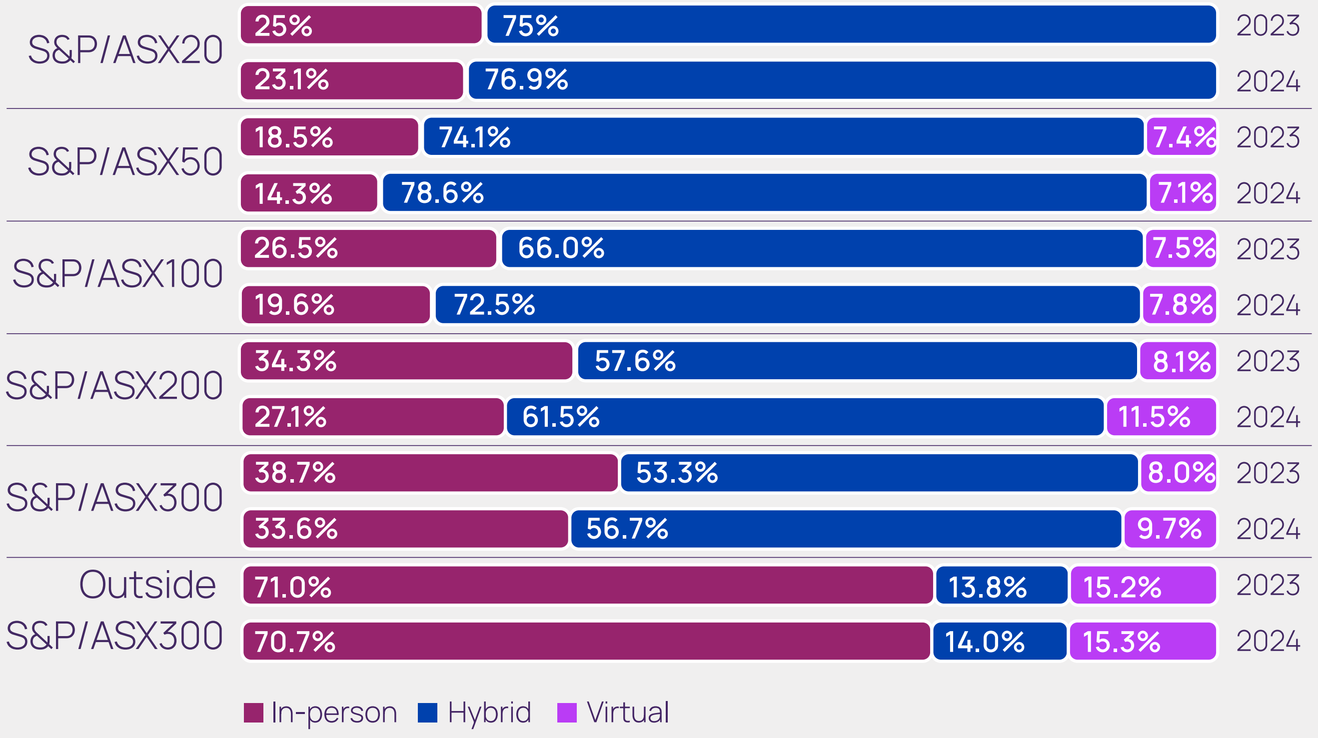




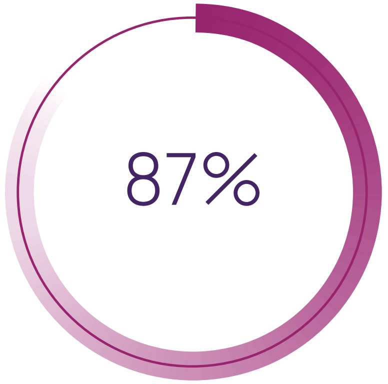


Throughout 2024, we witnessed an increase in the number of clients choosing hybrid meetings. This occurred mainly across the S&P/ASX50, S&P/ASX100 and S&P/ASX200.

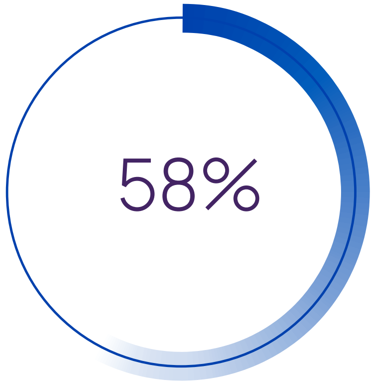
AGM format by ASX index



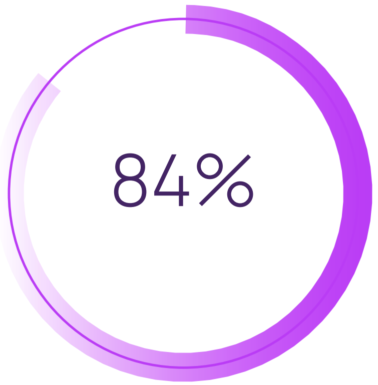
Global insights



of our US clients in the S&P 100 held a virtual meeting.



of our UK clients in the FTSE 100 held an in-person meeting.

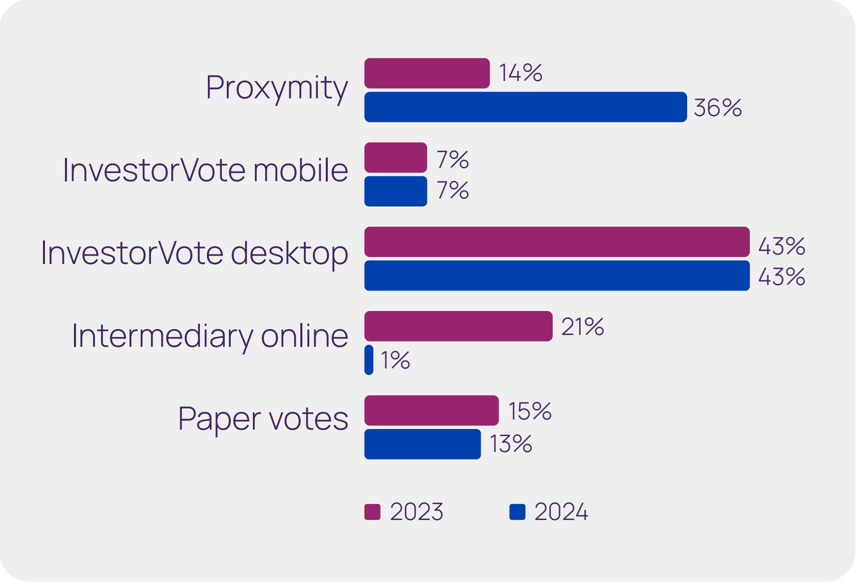


of our Hong Kong clients in the Hang Seng Index held an in-person meeting.

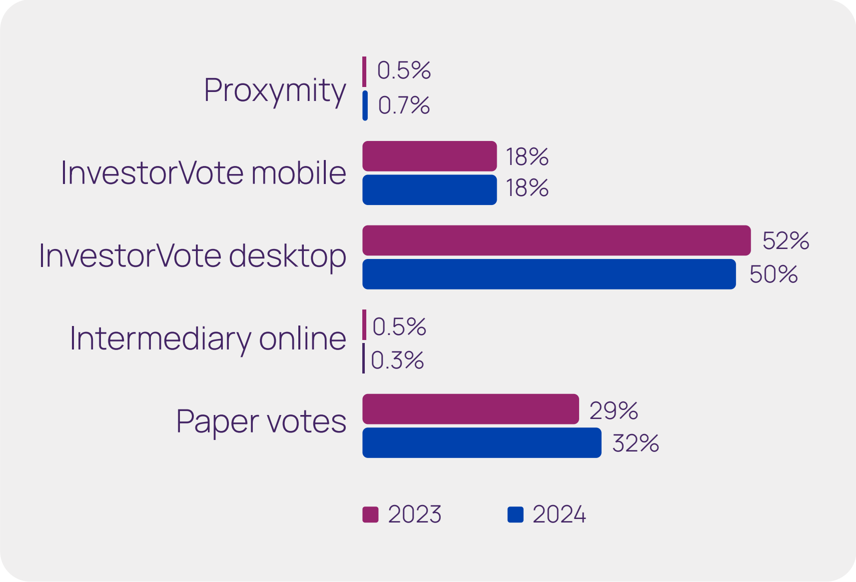
Method of lodging votes

Over the last 12 months, votes lodged via Proxymity have increased by 22%. This is due to HSBC Australia joining the platform. This means even more issuers will have greater access and visibility into beneficial holder voting positions well ahead of their AGMs. We believe this will lead to improved shareholder engagement and voting outcomes.

Voting channels – by votes received



Voting channels used by shareholders

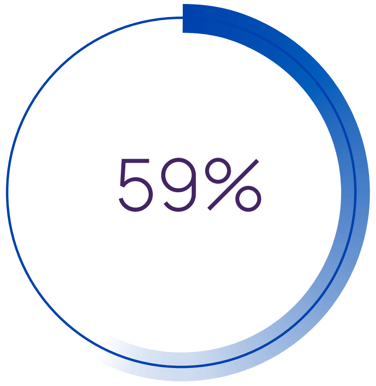


Computershare has been committed to driving digital lodgment of institutional custodial votes for over a decade. Firstly through our proprietary solution – Intermediary Online, and now through our partnership with Citibank and Proxymity.

Since 2022, the percentage of shareholders voting via their desktop has decreased by 5%. This decline is due to a reduction in individual shareholders voting. Approximately 8.6% fewer shareholders lodged a vote since 2022. Most of these holders fall into the desktop category.

However, due to the increase in in-person meetings, more companies are providing shareholders with printed voting cards. An opportunity exists for companies to encourage shareholders to bring their own device to the AGM and lodge their votes through our digital platform.

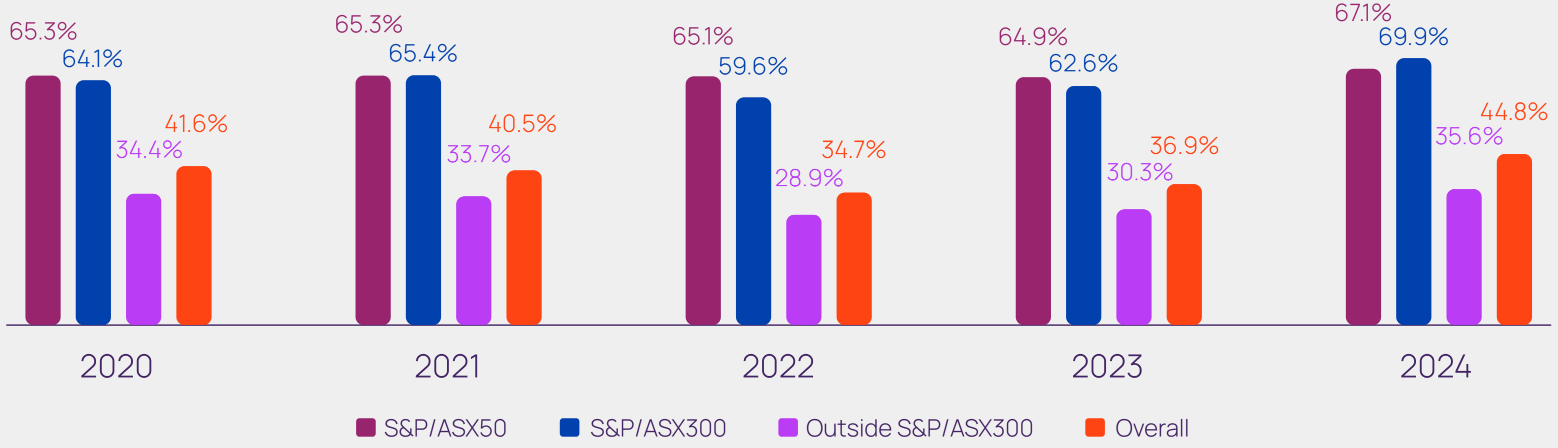
Global insight



of UK shareholders lodged a proxy instruction online – a 24.9% increase from 2021.

Shareholder voting trends

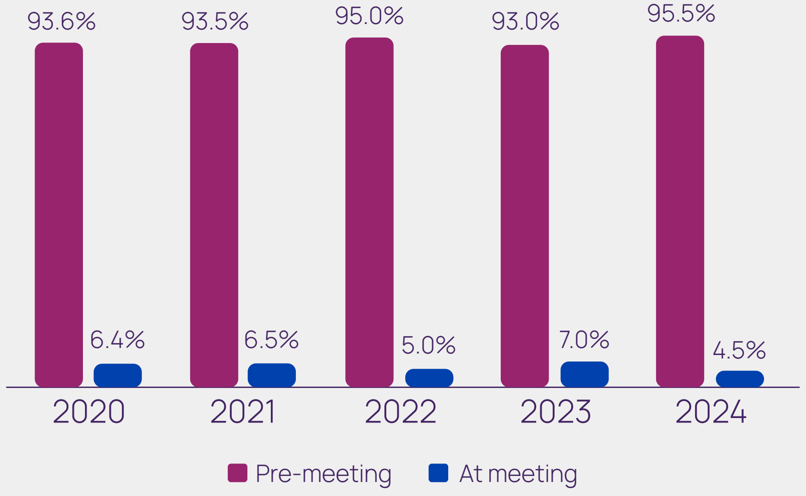
Issued capital voted by ASX index



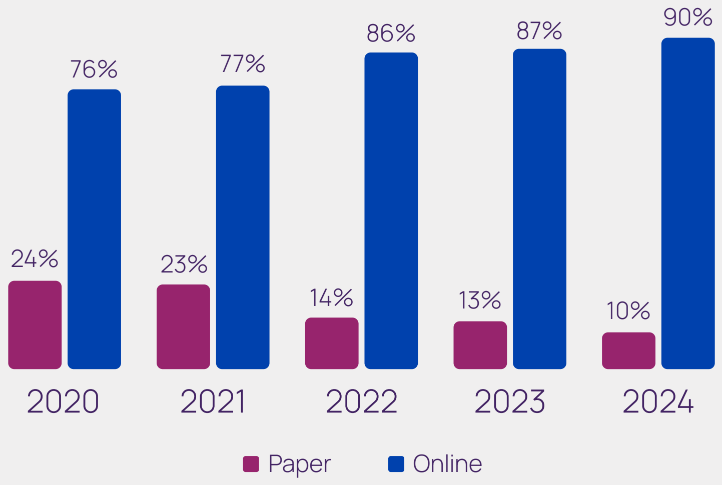
Overall, the amount of issued capital voted increased by 7.9%. This is the highest percentage of issued capital voted since 2019. While the S&P/ASX50 experienced an increase, most of these results have been driven by companies outside the top 50. This demonstrates greater engagement across all listed companies, not just those in the S&P/ASX50.

Most votes continue to be cast before the AGM. This is driven by institutions and custodians voting processes.

When shareholders vote



Online vs paper voting



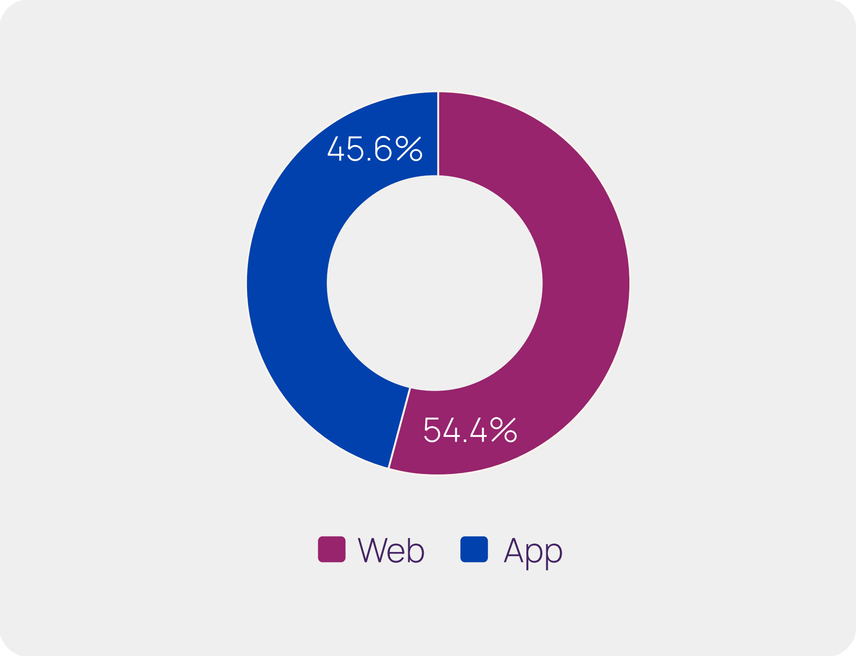
*Where companies offered online voting

Employee voting

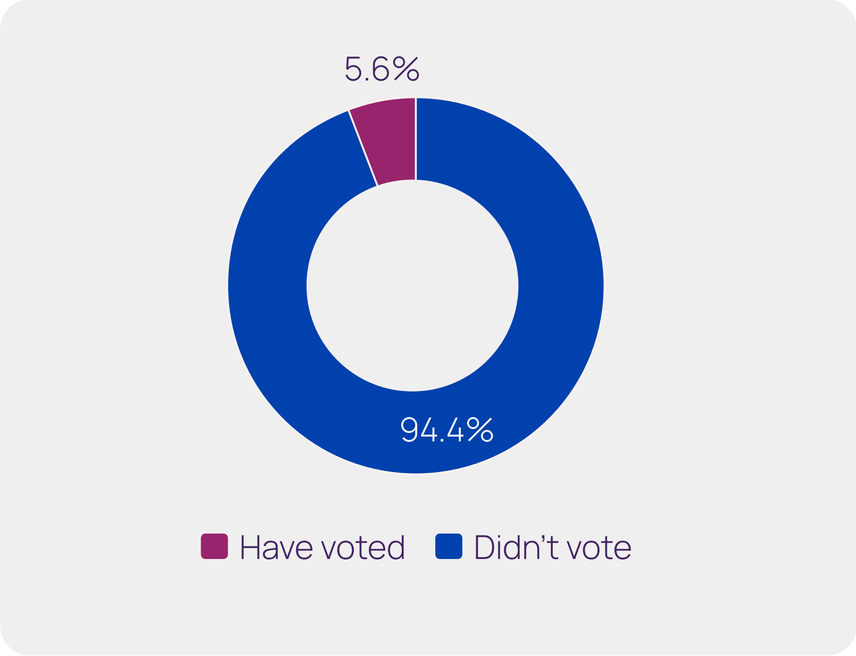
Using the Computershare EquatePlus platform, employees can cast their AGM votes via desktop or the EquateMobile App. Of the 5.6% of eligible employees who voted, this accounted for 16.9% of the available shares cast. We have also seen an increase in employees watching an AGM webcast (mainly as visitors), as an opportunity to hear from the Board.

We expect employee participation in their company AGM through voting and watching the meeting (where offered) will continue to increase. We recommend that Issuers provide guidance to employees about their AGM and how they can participate.

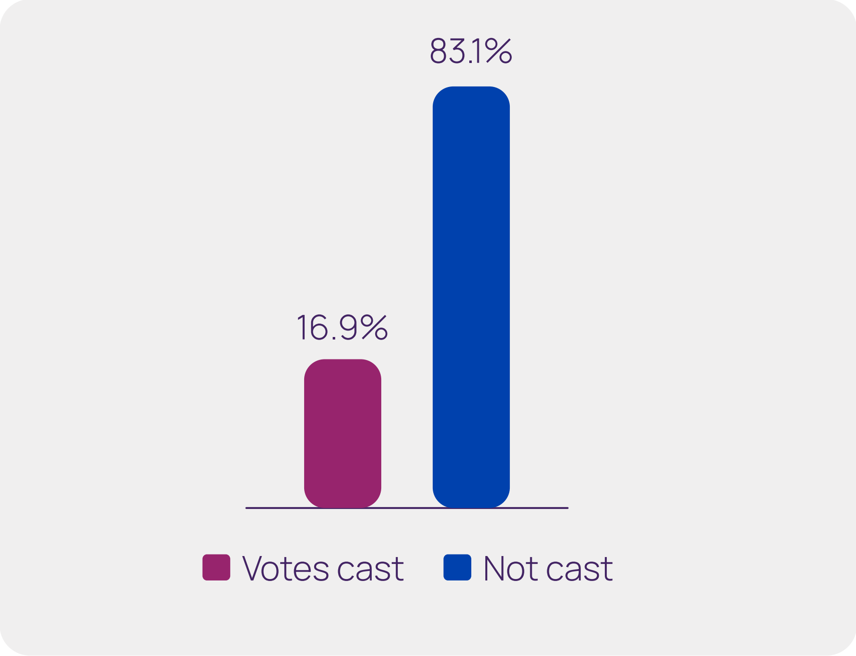
Desktop v App voting



Percentage of eligible employees who voted



Percentage of votes cast



Meeting attendance

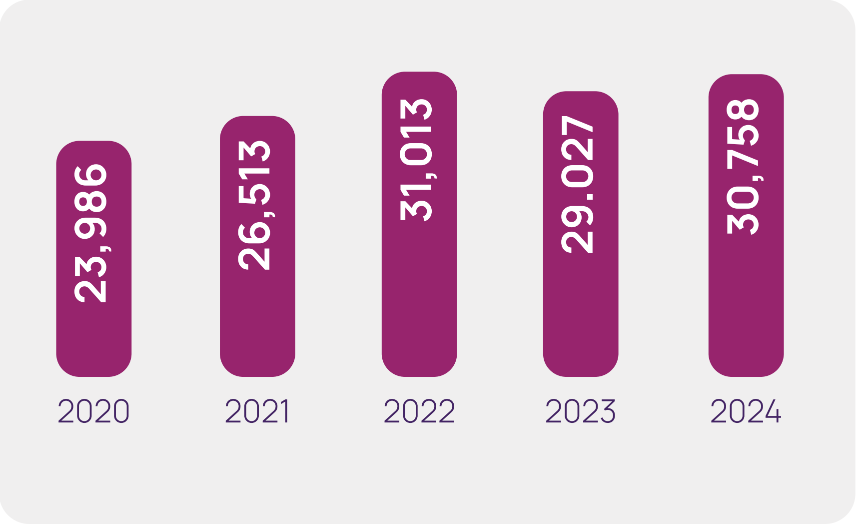
Attendance in 2024 remains stable

The percentage of visitors at meetings in 2024 is impacted by a few large meetings. When companies receive media coverage for governance or performance issues, we often see an increase in AGM attendance. Across our S&P/ASX50 client base we saw a 5.9% increase in attendance in 2024.

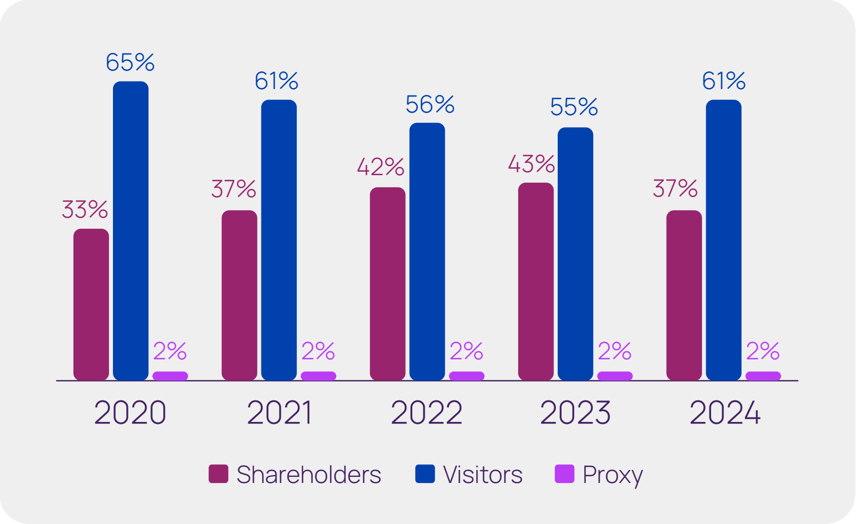
Global insight

In the UK, 90% of hybrid meeting attendees are physically present at the event, with only 10% joining online.

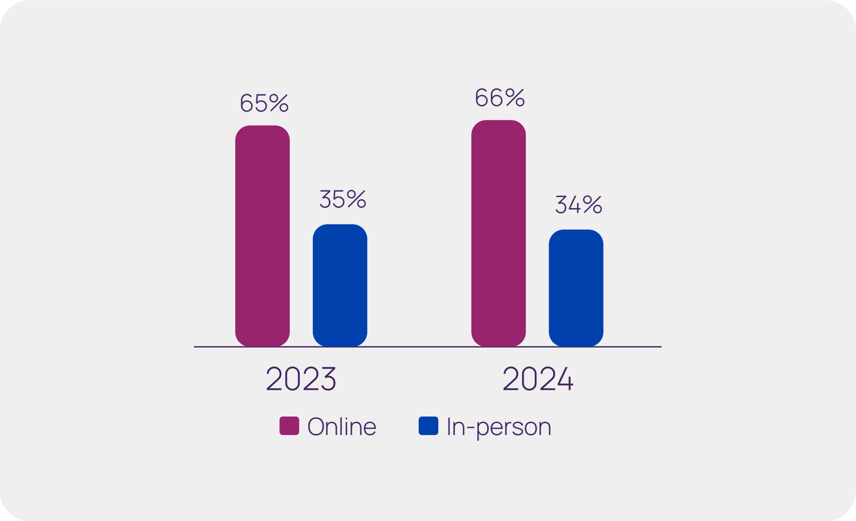
Total annual AGM attendance



Attendance breakdown - all meeting formats



Hybrid meeting attendance



Market perspectives

We asked clients and industry partners to share their views on AGMs now and in the future.

< RETURN TO CONTENTS >

We asked clients and industry partners to share their views on AGMs now and in the future.

What was your key takeaway from the 2024 AGM season?

"We need to include a lot more information about remuneration, KPI's and equity structures in our Annual Report and Notice of AGM. We are hoping this may alleviate some remuneration-based questions from shareholders."

"The use of hybrid meetings has become a major trend, providing flexibility and accessibility for shareholders to participate in AGMs. It's clear that this format is now a mainstay and will possibly continue to evolve."

"There was a return to early notice of AGM dates, as well as better opportunities for shareholders to engage with directors informally over a cup of tea."

"The importance of Corporate Governance and Risk Management for listed organisations e.g. witnessing another Large Cap receive a first strike on the Remuneration Report, was a telling example of investor sentiment."

"Shareholders are highly supportive of companies and their boards when performance is strong, with many resolutions receiving over 98% approval."

What surprised you about AGMs in 2024?

"How few issues were raised by shareholders at the AGM. I think this was largely a function of the good financial performance of the company in the year."

"Many shareholders still do not understand Employee Equity Plans and the KPIs attached to them. We spent a lot of time this year explaining how ESPs work and that the Company needs to excel in performance over several years for the equity to be awarded."

"Shareholders are very focused on performance; suggesting executive pay cuts or removing performance-based equity for options or no equity at all. I didn't think I would hear these types of outdated suggestions again."

"Although we didn't have a requisitioned shareholder resolution, I was surprised by the increased focus on environmental, social, and governance (ESG) matters during both our AGM and others."

"The increase in in-person attendance vs. the declining trends in online attendance (over the past three years)."

Think about 10 years ago. What has been the biggest change you have seen to AGMs?

“The move to hybrid meetings.”

“How retail shareholders wish to interact. Prior to COVID we didn’t hear from retail shareholders outside of the AGM. Since COVID, retail shareholder queries have grown significantly. If they have a query, they will not wait until the AGM to voice it.”

“In person retail shareholder attendance has returned to pre-COVID levels, however our online attendance has grown significantly indicating that we are getting shareholders attending remotely that never attended before COVID.”

“A shift towards hybrid meetings and an increase in digital communications with shareholders by introducing the Notice and Access.”

“The rise of individual shareholders who represent an increasing portion of corporate activism — through the submission of proposals to be presented and voted on at a Company’s AGM.”

“Regulations that were designed to protect shareholder rights have provided individual shareholder activists more authority and an ability to exercise their objectives over targeted organisations.”

“Major corporate entities have been required to put more focus on enhancing ‘climate-risk’ policies, disclosures and appropriately balancing the concerns raised by this subset of constituents.”

"As the size of the traditional retail shareholder base declines this will lead to a decline in attendance at AGMs. We will need to think differently about engaging investors who don't have a direct interest in our shares (e.g. they are held in a super fund)."

"We may expect to see changes in Australian legislation or government policy, that further influences AGMs and shapes the landscape — potentially shifting climate-related shareholder activism away from publicly listed companies and toward public policy makers and the government sector."

"The onset of new AI technological advancements that are enhancing the realism, interactivity and personalisation of Augmented Reality (AR) may also see the introduction of a new and more immersive remote participation experience and offering for Company meetings, with new and more immersive/interactive remote offerings to improve engagement."

"By 2035, AGMs will rely on technology more, making shareholder participation seamless and more personalised. There may be an introduction of AI to provide shareholders with insights into the company and possibly more visibility to voting."

What do you think AGMs will look like in 2035?

If you had a magic wand, what change(s) would you make immediately?

"The outcomes of voting on resolutions put to the AGM are determined before the meeting takes place. Something scaled back and more fit for purpose would be preferable that incorporates a vote on relevant decisions which could be separate to a forum in which investors — large and small — can ask questions and provide feedback to the company."

"I would end the requirement for a facility to allow participation by telephone."

"Corporations Act change to allow for holding your AGM within six months of year end to stop November being so busy with AGMs for listed companies."

"Giving a company the ability to hold online AGMs only, if they have sufficient Q&A services in place for shareholders to actively participate. At present, you need to change your constitution to allow for this."

"I would use it to see more transparent voting through the nominees and the beneficial holders."

"Provide discernible definition within the Corporations Act of "Virtual Meeting Technology" so that the classification of a hybrid meeting excludes the requirement for a phone line — so that a member can listen and ask questions remotely."

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