



2022 ASM INTELLIGENCE REPORT

Exploring the ASM landscape
in New Zealand

CERTAINTY

INGENUITY

ADVANTAGE

 **Computershare**

Georgeson

CONTENTS

INTRODUCTION	3
2021 ASM INTELLIGENCE	4
SNAPSHOTS	11
CORPORATE GOVERNANCE	15
GLOBAL OUTLOOK	23
2022 AND BEYOND	27



Our goal is to ensure our clients can continue to deliver successful, compliant ASMs throughout 2022 and beyond.

2021 was a year of two halves for New Zealand shareholder meetings and our clients faced the challenge with confidence, knowing they had the ability to succeed despite the changing landscape.

The August lockdown saw issuers having to revert back to fully virtual meetings which coincided with the launch of Computershare's new Virtual Meeting platform. This enabled our clients to continue to effectively engage with their shareholders and achieve successful meeting outcomes.

Attendance held steady at 0.9% in 2021, and we also witnessed an increase in the percentage of votes received via online channels, rising by 4.6% to reach 74.6%.

Computershare was proud to partner with Proximity in 2021 to broaden the platform's scope in APAC and offer New Zealand clients access to digital-first voting to Institutional investors for the 2022 ASM season.

Computershare continues to foster strong relationships with our clients, regulatory bodies, and the broader market as we have done for over 30 years. In addition to providing market leadership, our experience and knowledge places us in a unique position to provide valuable insights into the changing ASM landscape in New Zealand.

Computershare will continue to advocate for our clients and partner with them through this period of change. Our goal is to ensure our clients can continue to deliver successful, compliant ASMs throughout 2022 and beyond.

Whether it's virtual, hybrid or in-person, we are ready to work with our clients to plan and deliver the best ASM solution that suits them and their shareholders.

In this year's report, we carefully examine the changes that occurred throughout the past 12 months, overlaid with particulars we've observed in markets outside New Zealand. We also look ahead, and comment on New Zealand being the first country to implement mandatory **TCFD** aligned disclosures.

We hope you find this report a valuable resource as you plan for the year ahead.



Stuart Jury

Managing Director
Issuer Services, New Zealand



2021 ASM INTELLIGENCE

Exploring what
the New Zealand
shareholder meeting
landscape looked
like in 2021 and
how shareholders
responded

[RETURN TO CONTENTS](#)

Meeting formats were clearly impacted in 2021 by various restrictions in place around the country.

2021 was a year of two halves for New Zealand shareholder meetings. Issuers with meetings in the first half of the year typically chose a physical aspect to their ASM (either solely physical or hybrid). The August Covid lockdown changed the landscape with issuers having to revert back to the fully virtual meetings we saw in 2020.

This period coincided with the launch of Computershare's new Virtual Meeting platform which enabled our clients to effectively engage with their shareholders.

MEETING TYPE

NZX50



OTHER



● VIRTUAL ● HYBRID ● IN PERSON

Some shareholders register as guests at virtual meetings if they have already voted and do not wish to ask a question.

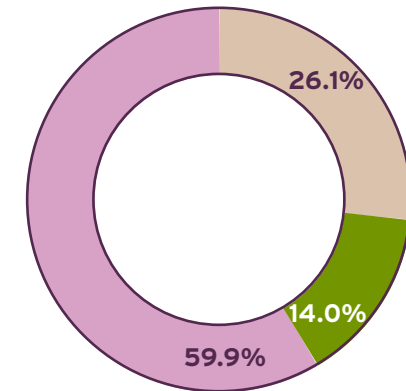
Attendance

Shareholder meeting attendance remains low at 0.9%. This may be in part due to some shareholders registering as guests at virtual meetings if they have already submitted their votes and do not wish to ask a question.

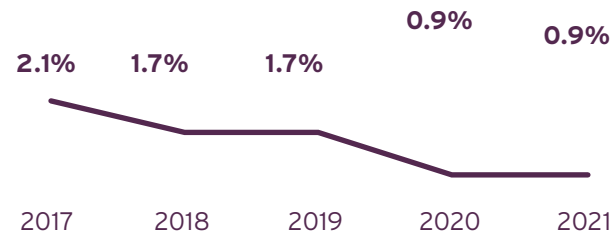
This is in line with the trend we witnessed in 2020 and the overall drop in attendance rates due to the pandemic.

TOTAL ATTENDANCE BY MEETING TYPE

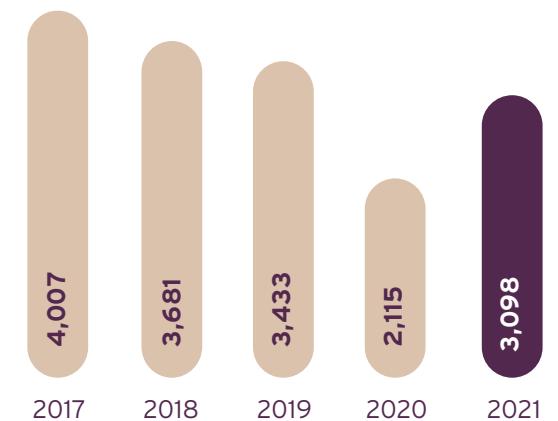
VIRTUAL HYBRID IN PERSON



SHAREHOLDER ATTENDANCE



TOTAL ANNUAL ASM ATTENDANCE



The percentage of votes received online has increased by 4.6% from 2020.

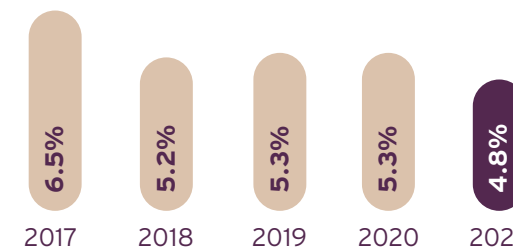
Voting

On average, the number of shareholders voting decreased slightly from 5.3% in 2020 to 4.8% in 2021. This could be in part due to many shareholders still trying to successfully navigate the online environment as the uncertainty of the pandemic continues to impact the country.

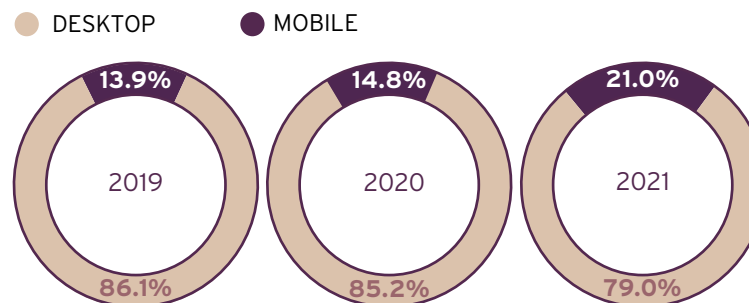
Across all Computershare clients, 74.6% of votes were received online in 2021 and this is a 4.6% increase from 2020.

Mobile voting also increased in 2021, now accounting for over 21% of all online votes submitted via our InvestorVote platform, which is not surprising given how many people use their personal device to receive and read an array of digital communications.

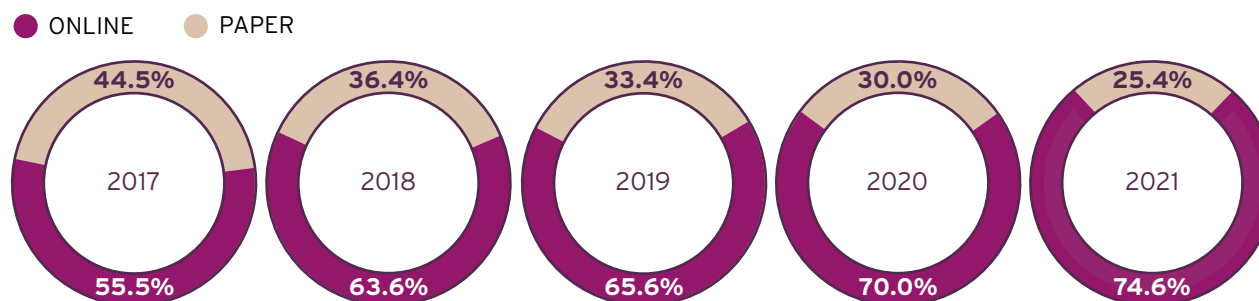
PERCENTAGE OF SHAREHOLDERS VOTING



INVESTORVOTE – MOBILE VS DESKTOP VOTES



ONLINE VOTING VS PAPER VOTING

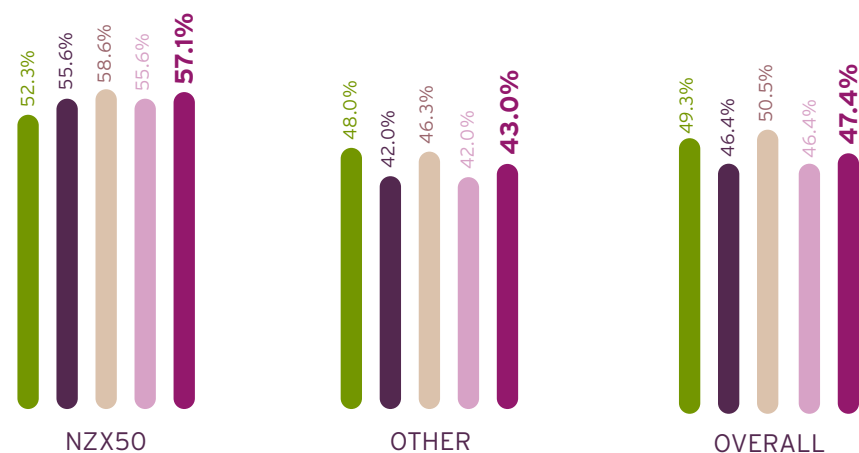




In 2021 the percentage of capital voted prior to meetings was down slightly to 93.4%

ISSUED CAPITAL VOTED

● 2017 ● 2018 ● 2019 ● 2020 ● 2021

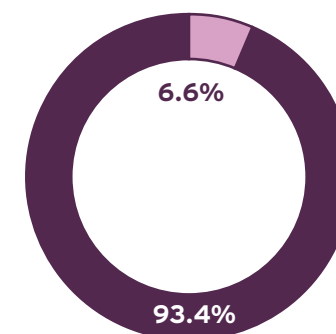



Computershare clients saw a 1% increase in the percentage of issued capital voted in 2021, rising to 47.4%. This was accompanied by increases for issuers both inside and outside the NZX50.

In 2021 the percentage of capital voted prior to meetings was down slightly to 93.4%

2021 ISSUED CAPITAL VOTED

● PRE-MEETING ● AT MEETING





Issuers should engage with proxy advisors ahead of the ASM in order to secure a positive outcome.

The proxy advisor landscape

There are two main proxy advisors publishing voting recommendations for their clients prior to the ASMs of New Zealand issuers: CGI Glass Lewis and Institutional Shareholder Services (ISS).

Their clients include most New Zealand and offshore fund managers, index funds, superannuation funds, offshore pension funds and quantitative funds. All these shareholders are influenced by the proxy advisors to varying degrees. Some completely outsource their vote decisions and others use it as information to support their own internal research.

Issuers should engage with the proxy advisors prior to their ASM to discuss any governance issues that they are focused on. This is an important step in securing a positive ASM outcome. Their key areas of focus are outlined in their policies and are developed in consultation with their clients.

Areas of focus:

- Remuneration – quantum, structure, links to financial and non-financial performance.
- Board – independence, diversity, skills, succession.
- Performance – accountability, culture, over-boarding.
- Risk management – climate change, human capital, supply chain, workers' rights, data security.

Key takeaways

- Understand how much influence proxy advisors have on your register.
- Meet with the proxy advisors to discuss what you are doing in relation to corporate governance; answer the hard questions and address their concerns well before their reports are published.
- Both ISS and CGI Glass Lewis have periods of no engagement in the lead up to ASM season so make sure to engage outside the peak periods.
- ISS and CGI Glass Lewis will also publish a report about issuers outside the NZX50 (if their clients hold shares in those issuers).

Proxymity: Digitising the proxy voting process

Proxymity, a pioneering institutional investor communication and voting platform, is leading the way toward improved voting outcomes and greater market transparency for both issuers and their large investors. Combining comprehensive market expertise with market-leading technology, Proxymity connects issuers more directly to their major underlying holders, reinventing the traditionally paper based and risky institutional proxy voting system through a fully integrated and truly global solution.

With the efficiency that Proxymity provides, investors can access key meeting information earlier and vote up until the meeting deadline. This can allow them up to six additional days to consider the business of the meeting and submit their votes. The market-leading platform also offers real-time status updates for issuers on votes lodged and gives investors confirmation that their votes have been received in time to be counted.

Since its launch in 2020, Proxymity, has been successfully used at over 1,200 company meetings across Australia. In 2021, Computershare and Proxymity partnered to broaden the platform's scope in APAC by launching in New Zealand, offering our clients access to digital-first voting for the 2022 ASM season.

Ann Bowering, CEO of Issuer Services – Australia and New Zealand said, "Computershare is proud to be leading the market again with innovative solutions that benefit both issuers and shareholders. It is great to see how industry-led innovation can drive transformation in markets, and with the recent addition of JP Morgan to the Australian and New Zealand offering, the benefits will continue to multiply."

New Zealand Issuers stand to receive a larger percentage of votes through Proxymity in 2022, with JP Morgan recently joining the platform alongside Citi. Proxymity will continue to expand its reach in the coming year when additional institutions join the platform, resulting in an increase in the issued capital voted via the platform in 2022.

In addition, beneficial holder reporting will soon become available as a unique offering for Computershare clients. This reporting has been incorporated into Proxy Watch, bringing with it increased transparency, and real-time insight into how beneficial holders are voting, which will help to improve stakeholder engagement.

Proxymity encompasses global insights, delivered locally and Computershare is proud to be a foundation investor, providing first-to-market access for our clients. For more information on Proxymity, visit: proxymity.io



SNAPSHOTS

[RETURN TO CONTENTS](#)

NZX50

VIRTUAL

67.9%

HYBRID

21.4%

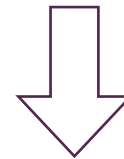
IN-PERSON

10.7%

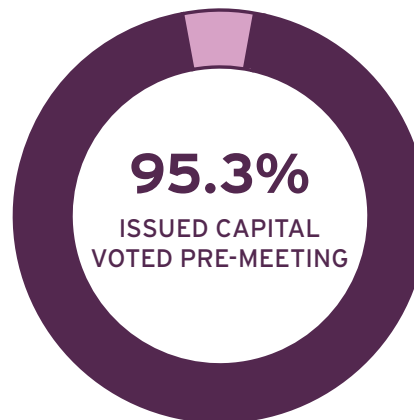
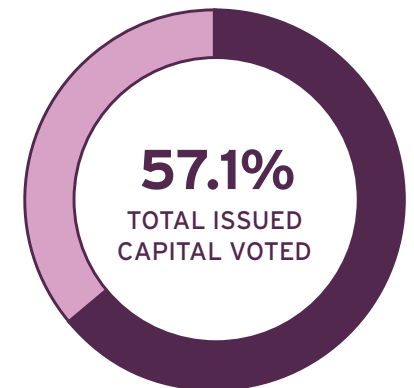
Issuers in the NZX50 saw a slight decrease in shareholder attendance and voting throughout 2021.



SHAREHOLDER
ATTENDANCE
0.6%



SHAREHOLDER
VOTING
4.8%



VOTES RECEIVED
ONLINE
68.2%

OUTSIDE NZX50

VIRTUAL

66.7%

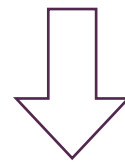
HYBRID

19.3%

IN-PERSON

14.0%

The number of votes received online and issued capital voted increased in 2021 for issuers outside the NZX50, however overall, shareholder voting and attendance dropped.



SHAREHOLDER
ATTENDANCE

1.2%



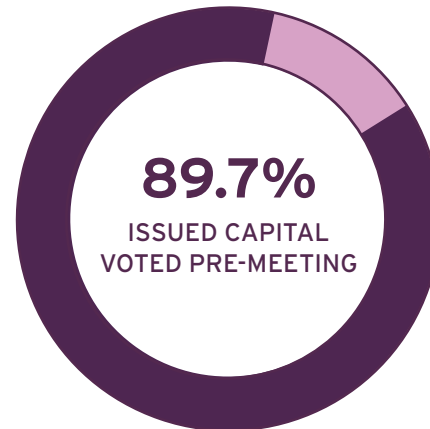
SHAREHOLDER
VOTING

5.1%



TOTAL ISSUED
CAPITAL VOTED

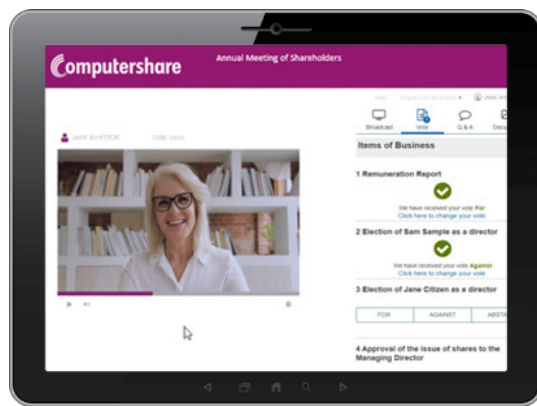
43.0%



VOTES RECEIVED
ONLINE

77.4%

Computershare's new Virtual Meeting platform was put to the test and passed with flying colours during the 2021 ASM season. **Over 4000 attendees logged into 41 online Annual Meetings since its launch in New Zealand.**



Computershare's new virtual meeting solution

New technology can seem daunting for some, but our platform allows for excellent branding opportunities on the Issuers' meeting page which provided attendees with instant recognition that they were in the right place. Additionally, the intuitive navigation bar provides trouble-free access for voting, asking questions and viewing documents via any device such as laptop, ipad or mobile phone.

Moderators were able to facilitate all questions coming in and present to the Chair's View (if required) so that all shareholders had the feeling of being heard even though they were not visually seen. And the New Zealand shareholders were not shy in asking questions either with a total number of 332 questions being asked to Issuers and several meetings receiving 25-30 questions. Such good engagement from shareholders shows that the technology works and can provide Issuers with an ongoing model of hybrid meetings that accommodate both face to face interaction along with reaching those unable to travel.

Attendance numbers were also shared prior to the meeting start with the ability to breakdown between shareholders, non-voting shareholders, corporate reps, third party proxy and guests logged in. This provided Issuers with a good idea as to who was online and listening in.

Computershare also acts as scrutineer and at the completion of each meeting, provides the Issuer with the required reporting and official tabulation of the votes.

With a change in the legislation that passed in Q3 of 2021, Computershare in New Zealand was also first in helping various Incorporated Societies and clubs with their online annual meeting requirements where member identification for logging in, facilitating Q&A session and voting were all satisfied.

"NZ Shareholders' Association believes that shareholder meetings are an important marker of a company's engagement with its shareholders and allow shareholders to hold their governance representatives to account. In a world where so much has been affected by the impacts and reactions to Covid-19, organisations need to work even harder to maintain and enhance transparency. Computershare's intuitive Virtual Meeting platform helps companies to do just that, ensuring all potential shareholders can participate."

Oliver Mander

CEO, New Zealand Shareholders' Association



CORPORATE GOVERNANCE

The latest insights from
Georgeson, exploring
the evolving corporate
governance landscape
in New Zealand

[RETURN TO CONTENTS](#)



New Zealand is the first country to implement mandatory TCFD-aligned disclosures.

Climate change

Climate change is more than an environmental issue, it is a financially material topic for corporate consideration and is soon to be a regulatory compliance issue for NZX-listed companies following the Climate-related Disclosures amendment bill.

It is globally accepted that 'business as usual' is no longer an option and both public and private sectors are committing to keep global warming under 2°C – ideally 1.5°C – by mid-century¹ as the ultimate way to avoid the significant consequences of a changed climate for future generations. Accordingly, the global economy's transition towards reducing greenhouse gas (GHG) emissions² as the main mitigation strategy to stop the rising temperatures has begun.

Meanwhile, the most influential investors have already understood this urgency as the drastic decarbonisation of the economy requires investment in the short-term and TCFD disclosures are becoming commonplace worldwide to attract these types of investment.

New Zealand is the first country to implement mandatory TCFD-aligned disclosures. Even though enforcement will commence soon – from January 1, 2023 – confusion amongst issuers still prevails. Some common concerns include:

Who will be affected?

All NZX-listed companies with a market capitalisation of more than \$60 million; large, licensed insurers, banks, credit unions, building societies and managers of investment schemes with more than \$1 billion in assets; as well as some Crown financial institutions via letters of expectation.


How will this legislation be implemented?

The External Reporting Board (XRB) is currently developing 'adoption standards' through public consultation, which will provide climate-related guidelines for companies, and will be issued in December 2022. While it is not yet confirmed what will be expected from companies, it is known that mandatory disclosures will be aligned to the TCFD framework and that later, GHG emissions disclosures will require a third-party independent assurance.

Compliance will be monitored by the Financial Markets Authority (FMA), and failure to do so can lead to fines and/or imprisonment consequences for directors and/or the reporting entity.

¹ The Paris Agreement references an increase of 1.5°C of the global average temperature in comparison to pre-industrial levels

² Greenhouse gas (GHG) emissions include: Carbon Dioxide (CO₂), Methane (CH₄), Nitrous oxide (N₂O) and Sulfur (SF₆) among others.



Companies should not wait for 2023 or for changing investor expectations to build a framework that demonstrates their climate-resilience.

Getting started: TCFD-aligned disclosures beyond compliance

Understandably, board members and management can feel overwhelmed by the global and national contexts. However, we are advising our clients there is no time to waste. Companies should not wait for 2023 or for changing investor expectations to build a framework that demonstrates their climate-resilience.

Disclosing TCFD-aligned metrics early will guarantee a smooth transition towards mandatory disclosures whilst providing meaningful and comparable climate-related information. Moreover, it is likely that competitors are already disclosing their climate change strategy through TCFD-aligned reports.

This is also because 'you cannot manage what you do not measure'. Hence, TCFD can help companies manage and measure material climate-related risks as well as opportunities, whilst guiding disclosures that effectively communicate to investors, FMA and other key stakeholders.

Some practical tips to consider:

TCFD consists of four core pillars - Governance, Strategy, Risk Management and Metrics & Targets - and includes 11 recommended disclosures designed to be interlinked and inform one another throughout.

- **Governance:** Specify how climate-related risks and opportunities are addressed amongst both board and management levels. This helps you assess relevant climate-change issues.
- **Strategy:** Identify what you consider to be short, medium and long-term horizons and apply scenario analysis to recognise the material impacts of climate change over time.
- **Risk Management:** Explain how you are assessing climate-related risks relative to wider business risks.
- **Metrics & targets:** Analyse and measure your GHG emissions in a comparable way to allow for detailed trend analysis.



Although gender diversity looks more balanced in New Zealand than in other markets, some industries like transport, construction and mining show slower progress

Director elections

To ensure board elections are supported by investors it is crucial to take into account its composition. This includes size, independence, overboarding, skills, knowledge, experience and diversity.

Below is a list of considerations to assist companies to secure favourable voting outcomes:

- A minimum of three directors are required and although there is no maximum board size limit, a maximum of 14 is recommended to ensure effectiveness.
- Ensure you have a majority of independent board members.
- Avoid overboarding issues. Review the roles of directors who are also directors of other companies. CGI Glass Lewis has warned that independent directors in New Zealand 'do not seem attuned' to this problem.
- Ensure your skills matrix is complete. The New Zealand Corporate Governance Forum Guidelines ("NZCGFG") express skills matrix as an *"effective tool to demonstrate to shareholders how skills across the boardroom link to the oversight of company operations and strategy."*³
- Provide key information for each board member including a profile of experience, training and length of service amongst other key aspects.

- Board members are to be held accountable for all risk oversight including reputational and cultural issues. Are your board members properly managing ESG risks?
- Ensure your board is diverse across gender, ethnicity, age and education.

Diversity

Diversity amongst board members is a key topic for proxy advisors and investors. However, diversity factors are not limited to gender but also include age, education, ethnicity and overall board tenure. Although gender diversity looks more balanced in New Zealand than in other markets, some industries like transport, construction and mining show slower progress. Particularly, there is one company within the NZX15 that still has an all-male board. Proxy advisors will target laggard companies and consider other factors given the circumstance and if the company has commitments to future diversity targets. Investors also expect companies to increase female participation across not only boards but also in executive leadership positions.

Gender diversity expectations are likely to accelerate in the coming years as the market drives the 40:40:20 model or expectation of no less than 30% of either gender alongside the release of new voting guidelines from proxy advisors. Having a diverse board is key to attracting investors and achieving the ASM results you desire. If your company does not meet diversity expectations, having targets in place to do so in the future is recommended.

Ensuring an independent, transparent and effective remuneration committee is a way to reduce risks and unexpected proxy results

Executive remuneration

Most investors and proxy advisors expect remuneration structures to be aligned with performance and long-term shareholder value creation. This is the most relevant expectation to consider because it can affect the results of remuneration report proposals at ASMs.

Ensuring an independent, transparent and effective remuneration committee is a way to reduce risks and unexpected proxy results on this matter. Avoiding inappropriate pay and enhancing transparency are also


keys to successful results. However, understanding how proxy advisors assess remuneration policy and actively engage with investors ahead of significant changes are also effective ways to avoid unforeseen remuneration report.

Structure

Executive remuneration for listed companies is generally broken into three components: Base Pay, Short-Term Incentives (STI) and Long-Term Incentives (LTI).

Considerations

Base Pay	STI	LTI
<ul style="list-style-type: none"> Quantum not excessive compared to industry peers and the underlying workforce Pay increases transparently explained and justifiable due to change in role and responsibility STI and LTI are usually a percentage of base pay so justification of the overall potential increase is also valuable 	<ul style="list-style-type: none"> Targets (threshold, target and maximum), performance and outcomes clearly disclosed for all key executives (retrospective is permissible) Linked to short term strategies that are outside the “day job” of the executive Sufficient stretch aligned to shareholder outcomes Usually in cash with a component of deferred equity preferred 	<ul style="list-style-type: none"> Awarded as deferred unvested equity with clear hurdles, targets and maximum awards Combination of relative and absolute measures preferred Any changes to targets, hurdles or quantum need to be appropriately justified and aligned to long term shareholder outcomes Demonstrated over time as genuinely ‘at risk’ Non-financial metrics need to be clearly articulated and must be beyond the scope of an executive’s “day job”




Transparency is the key to success. Is your remuneration policy easy to understand and are changes clearly represented and justified?

Additional inclusions to consider:

- Change of control provisions
- Use of discretion by the board clearly articulated and justified by the financial results and underlying performance
- Excessive termination benefits beyond the statutory cap
- Limited dilution of other investors
- Quantum

Transparency is key. Is your remuneration policy easy to understand and are changes clearly represented and justified? Does it align with the long-term expectation of shareholders?

Knowing investor sentiment in advance of the ASM can prepare the board for unforeseen remuneration issues, but even better is engaging with investors prior to locking in any new remuneration arrangements.



Issuers can attract Responsible Investment capital by accurately and effectively disclosing ESG oversight to the market.

Understanding the relevance of ESG for small caps

ESG considerations are known to have a material financial impact on businesses, both now and into the future. Understanding this impact isn't just the remit of large organisations, these risks and opportunities do not discriminate and do impact smaller companies as well.

Access to capital

There is a growing pool of funds dedicated to Responsible Investment (RI) and ESG impact⁴. Contrary to popular belief, a company's purpose does not need to be built on positive environmental and social impacts to be considered by these investors. Rather, issuers can attract RI capital if they accurately and effectively disclose ESG oversight and strategy to the market:

- Do you already include non-financial issues in your risk assessment?
- Have you started collecting data on your energy emissions or water consumption?
- How regularly does your board assess these risks and opportunities?
- Have you tested the resilience of your supply chain?
- Are you taking cyber security and data privacy seriously to protect those in your value chain?
- Are your employees happy or do you have high employee turnover?


ESG aligned capital is more likely to be invested in companies that address these issues and articulate their strategy, especially amongst companies outside the NZX50 where there is less coverage.

ASM voting outcomes

Whilst some companies may not be large enough to warrant proxy advisor coverage, understanding the expectation of good governance can help set the foundations for the future, for example:

- What is the composition of your board? Is there a majority of independent directors on the board to assure shareholders that their voice is being heard in strategic decision making?
- Are you maximising the benefits of board and executive diversity in your discussion and decision making?
- Does your board have the skills to appropriately assess the risk posed by climate change, diversity and supply chain issues?
- Do you have the right remuneration structure incentivising performance aligned to shareholder outcomes?
- Do you have all the right policies in place to support your business as you grow including trading policies, continuous disclosure policies, diversity and inclusion, supplier code of conduct and related transaction policies?

⁴ Responsible Investment Association Australasia, 2020, Australian Impact Investor Insights, Activity and Performance Report



Some companies may already have a robust investor engagement process in place to communicate financial results and market sensitive announcements.

Proxy Research

In New Zealand, investors may follow proxy advisors recommendations verbatim or use their research to inform their own voting decisions.

Currently, both ISS and CGI Glass Lewis include ESG ratings as part of their coverage. For instance, ISS uses their own proprietary rating system known as the ISS QualityScore to assess risk exposure on a number of categories based on the level of disclosure including:

- **Environment:** management of environmental risks and opportunities, carbon emissions and climate, natural resources and, waste and toxicity.
- **Social:** human rights, labour, health and safety, stakeholders and society, and product safety, quality and brand.
- **Governance:** board structure, compensation, shareholders rights and, audit and risk oversight.

On the other hand, CGI Glass Lewis includes data and ratings provided by Sustainalytics. Additionally, this proxy advisor assesses the company's exposure to ESG risks and how well these risks are being managed, in contrast to their relative performance. To perform this analysis, the company's disclosures are assessed under the relevant SASB financially material industry topics. Some of these may include, labor practices, GHG emissions, Accident & Safety Management amongst others.

Investor Engagement

Some companies may already have a robust investor engagement process in place to communicate financial results and market sensitive announcements. But the fund managers or asset owners a company meets with may not necessarily be the same person making the voting decision. Stewardship teams assess each company differently and look to protect the long-term interest of investors through supporting the right ESG practices in each company.

- Do you know who holds the voting mandate on your register?
- Do you know if they are subscribing to any proxy advisor research?
- Are your ESG disclosures reported in a clear and transparent format that supports comparability?

Sell-Side Coverage

Getting sell-side coverage is incredibly valuable for small cap companies as it can attract new investors that rely on the independent sell-side research to guide their decision making. It's important to note that the trend for these research reports is moving beyond financial estimates and price targets and increasingly including ESG ratings, metrics and analysis to inform the buy, sell, hold recommendations.



GLOBAL OUTLOOK

**A global
perspective on the
ASM experiences
from key markets**

[RETURN TO CONTENTS](#)



In 2022, an increasing number of issuers are exploring how technology can support their shareholder meetings and supplement other.

United Kingdom

Mike Sansom

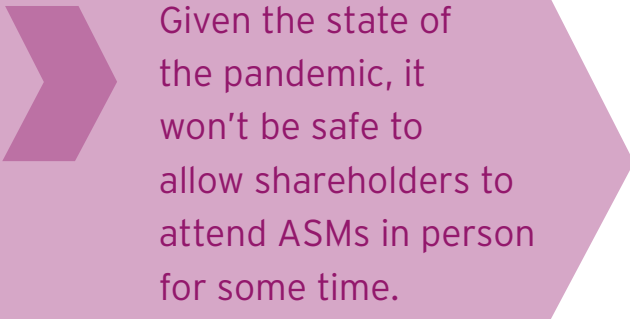
Head of Share Registry

The UK is now entering its third ASM season since the Covid pandemic first hit. Market expectations had evolved for 2021, with expectations increased regarding the extent to which companies should facilitate stakeholder engagement. Hybrid meetings were more common than in 2020, as was the use of technology. And many companies made changes to their Articles to provide future protection and flexibility regarding hybrid ASMs.

In 2022, an increasing number of issuers are exploring how technology can support their shareholder meetings and supplement other activities they might be undertaking under the banner of stakeholder engagement. We expect to see further growth therefore in the number of hybrid meetings, or those companies deploying additional technology alongside a physical meeting. Fully virtual meetings will likely remain rare given the legal uncertainty and, the presence of in-person meetings at a physical venue will continue, where companies feel that such a format meets the requirements of their board and shareholders. Perhaps the overarching trend is one of measured evolution, rather than revolution.

Data on the 2021 season for Computershare's FTSE350 clients shows:

- 25% had a hybrid meeting with authenticated remote shareholder access and the facility to exercise all shareholder rights (voting, asking questions etc).
- Around 2% had what they classed as a virtual meeting, with no physical venue option for shareholders.
- 25% had a closed-door meeting, supplemented with added technology such as a conference line or webcast.
- Just under 30% had a closed-door meeting, primarily during the early part of 2021 when the emergency legislation was still in force and such meetings were permitted
- Around 20% had an in-person, traditional style meeting



Given the state of the pandemic, it won't be safe to allow shareholders to attend ASMs in person for some time.

Continental Europe

Kirsten van Rooijen

Head of Issuer Services

The pandemic has continued to challenge the continent with the omicron variant of Coronavirus. Many countries have already extended their emergency legislation, or are about to do so, meaning the landscape is set for another year of virtual meetings. As we embark on a third ASM season living with the pandemic, we are seeing great examples of how issuers have successfully adapted to the world of virtual meetings.

Overall, we saw many companies facilitating greater live interaction during meetings. Although some companies are still hesitant, the technology is working either through a simple set-up (phone line) or a live video connection via web-based streaming platforms.

The Netherlands has been at the forefront of virtual meetings right from the beginning and allows full shareholder rights including voting and Q&A. However, only shareholders that asked a question prior to the meeting were permitted to ask a follow-up question during the meeting.


This sits in strong contrast to Italy, where across the country most meetings were virtual without granting shareholders full rights and mostly with audio-only broadcasts, and Switzerland where only board and company representatives attended meetings, with shareholders discouraged from attending.

Spain quickly established new legislation to allow for live Q&A so that shareholders can instantly interact with the board and ask questions. This was established at the end of the last ASM season and we will see more of this during 2022.

In addition, German and French governments are seeking to establish new regulation to allow room for virtual variants of shareholder meetings following successful uptake over the last 12 months.

Companies have now had two years to prepare for their next virtual ASM, so the expectation is that they will at least provide a live video broadcast of their meeting, and shareholders will have access to both live voting and Q&A. In most central European countries, there is no right to be heard and seen, and therefore most companies will only opt for a live chat during the meeting. However, pressure from lobby organisations and shareholders is growing to ensure they can fully exercise their rights throughout the ASM season.

Given the state of the pandemic, it won't be safe to allow shareholders to attend ASMs in person for some time. So, the question remains, will they come back, or will they opt for virtual participation?



We envisage further uptake of fully virtual meetings throughout the 2022 season

United States

Ruthanne Wrenn

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In the U.S. Computershare facilitated 23 hybrid shareholder meetings, 582 fully virtual meetings and 678 in person meetings throughout the 2021 season.

Annual shareholder meetings for U.S. companies are governed by the law in the state of their incorporation. 2021 saw a significant move by many states to permanently change laws permitting fully virtual attendance where they previously only permitted physical or hybrid participation.

Due to the structure of the U.S. proxy system, many beneficial owners experienced constraints in accessing and attending virtual meetings. This became a significant concern and became subject to industry action to create solutions for 2021. The industry working group, which Computershare participates in, developed a solution for issuers to optionally facilitate direct beneficial owner participation in, and voting at, virtual meetings.

This is achieved by implementing a service between various providers of proxy and tabulation services to streamline validation of the entitlement of beneficial owners. While issuer usage of this solution was low for the 2021 season, those who did participate provided positive feedback and we expect greater uptake in the 2022 season.


In the second half of 2021, the same industry working group agreed to provide end-to-end vote confirmation for Fortune 500 companies in the 2022 season. Computershare already provides vote confirmation for omnibus bank/broker votes to the proxy service providers for all meetings that we tabulate. The working group also agreed to conduct a pilot to assess early-stage entitlement reconciliation and Computershare will participate along with eight other companies for the 2022 season.

Looking ahead to 2022, there is a mix of interest in hybrid and fully virtual meetings with many clients still undecided. We envisage further uptake of fully virtual meetings throughout the 2022 season given the recent surge in Coronavirus cases. Despite ongoing pandemic-related uncertainty, the 2022 proxy season brings with it improved regulatory certainty for issuers and improved access options for shareholders, in addition to being one step closer to end-to-end vote confirmation in the U.S.



2022 AND BEYOND

[RETURN TO CONTENTS](#)



Over the last two years, issuers have achieved a great deal in the face of adversity. Will 2022 bring with it a renewed sense of hope about what lies ahead?

As the pandemic continues to encourage digital acceleration, we see more issuers choosing to adopt the hybrid ASM model to achieve a “best of both worlds” approach for their stakeholders. We also see evidence of shareholder’s digital behaviour emerging, with online voting increasing to 74.6% and use of mobile voting increasing by 7.8% overall. This means issuers should have comfort about the role of digital in their ASM plans moving forward.

With the increased use of technology comes new concerns around appropriate ASM governance, including issues around transparency. Issuers are encouraged to ensure meeting transcripts are available online shortly after the meeting, along with a record of questions asked accompanied by company responses. Following these steps will increase transparency by ensuring shareholders can review the meeting in full or revisit any questions and responses at a later date.

With investors of all types becoming increasingly active in their ownership, and ESG considerations increasingly driving voting decisions, it’s more important than ever for companies to engage with their stakeholders. As an ongoing focus for shareholders, issuers must keep abreast of the ever-changing ESG landscape while ensuring engagement and disclosures are transparent and timely.

Computershare and Georgeson are committed to partnering with our clients to achieve positive ASM outcomes. We look forward to supporting our clients throughout 2022 as they move forward with a greater sense of clarity. No matter what form your ASM might take or what challenges you might face, you can trust Computershare and Georgeson to support you in engaging and communicating with your shareholders and in achieving successful meeting outcomes.



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
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About Georgeson – a Computershare company

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

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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 ASMs, compliance with the NZX Listing Rules and other applicable legal and regulatory requirements.

Unless stated otherwise, the content of this report is based on data relating to Computershare's NZX listed issuer clients and does not relate to all NZX listed issuers.

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