



Date:	6 th March 2023
Subject:	Beneficial investors in Australian/New Zealander companies have just five to seven days to respond to shareholder meeting notifications, new research shows

Investors who hold shares in Australian and New Zealand companies through nominees such as a custodian have only five to seven days on average to lodge voting instructions in time for the deadline ahead of shareholder meetings, according to new research.

The report, 'Proxy Transformation in Australia and New Zealand', provides key statistics relating to proxy voting as well as compiling answers and information from 89 issuers, intermediaries and investors.

It shows that the notification and instruction process, which involves information passing through six layers between issuer, issuer agents, nominees, investors and back again, means that proxy voters have on average 21-23 fewer days to vote or confirm attendance at a meeting than those who hold their shares directly.

Faced with this narrow window, 60% of institutional investors who took part in the research said that they lack the time to properly fulfill their stewardship responsibilities.

The research was commissioned by Australian global Issuer Services provider, Computershare, and the digital investor communications platform, Proxymity.

It was supported by the Australasian Investor Relations Association (AIRA) as well as the Australian Custodial Services Association (ACSA).

75% of issuers surveyed in the research said that they have seen cases of 'lost' votes – where shareholders say they have put forward their votes but they do not emerge from the chain – with 61% also saying that they have seen meeting notices fail to reach institutional shareholders.

88% of issuers said that they believed it is valuable to know the identity of underlying investors at the time votes are lodged, especially for strategically important or contentious decisions, and all of the issuers surveyed said that they took steps to disseminate information to institutional shareholders beyond regulatory disclosures.

The report argues that:

- Inefficiencies in the proxy voting system create significant extra costs and workload for all parties along the custody chain as they work to overcome issues.
- The mechanics of proxy voting for Australian and New Zealander issuers and their institutional investors in Australia and New Zealand need drastic improvement.

- Many issuers and investors are keen to forge a more direct and transparent relationship and create greater automation and communication along the issuer-investor chain to improve governance.

Paul Conn, President, Global Capital Markets at Computershare, said: "There is increasing recognition within the corporate landscape and wider public of the importance of proxy voting, and this research again highlights where the system needs to improve.

"Cost effective solutions to these problems already exist and would be easy to implement, and it's important that the industry works together to fix these issues, empower beneficial shareholders and help improve corporate governance standards."

Dean Little, CEO of Proxymity, which is being used in many markets to connect issuers, intermediaries and investors in real time via a digital pathway to provide greater transparency, efficiency and accuracy, said: "Technological innovation can help make proxy voting more efficient, transparent and robust.

"It is clearly time for Australian and New Zealand proxy voting to move to a new operating model – where data integrity, transparency and speed can be maintained to the benefit of issuers and investors."

Ian Matheson, CEO of AIRA, said: "The case for industry-wide transformation is clear from this research.

"Our members will recognise the data issues and timing pressures that the survey helps highlight, and so we look forward to helping the investor and issuer communities to leverage new technologies to achieve more effective and closer engagement across the voting chain."

'Key findings' from the research are available at <https://thevx.io/campaign/proxy-voting-in-australia-and-new-zeland/>.

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About Proxymity

Proxymity connects the world's ecosystem of issuers, intermediaries, and investors digitally in real time, bringing unprecedented transparency, efficiency, and accuracy to traditional paper-based processes. It is the leading digital investor communications platform, serving over twenty-five markets world-wide.

Proxymity is backed by a global consortium of the industry's most influential financial institutions, - BNP Paribas, BNY Mellon, Citi, Computershare, Deutsche Bank, Deutsche Börse, HSBC, J.P. Morgan, Mediant, State Street.

About the AIRA

The Australasian Investor Relations Association provides listed entities with a single voice in the public debate on corporate disclosure and improves the skills and professionalism of members. The association's mission is to advance the awareness of, and best practice in, investor relations in Australasia to achieve better outcomes for all capital market stakeholders through enhanced engagement.

About Computershare

Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, mortgage servicing, proxy solicitation and stakeholder communications. We also specialise in corporate trust, bankruptcy, class action 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 14,000 employees worldwide.

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