

27 July 2018

Mavis Tan
ASX Corporate Governance Council
C/O ASX Limited
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Australia Square NSW 1215

Email: mavis.tan@asx.com.au

Dear Mavis,

Review of the ASX Corporate Governance Council's Principles & Recommendations (fourth edition) – Consultation Paper

Computershare Investor Services Pty Limited ('Computershare') welcomes the publication of the 4th edition of the ASX Corporate Governance Council's ('the Council') Principles and Recommendations, and the opportunity to comment on the associated Consultation Paper.

We appreciate that the 4th edition of the Principles and Recommendations addresses a range of significant governance principles. While these are of course relevant to Computershare Limited as an ASX-listed company, in this response, we have limited our comments to those Principles and Recommendations that relate to share registry services that we provide to clients, specifically Recommendation 6 on respecting the rights of security holders.

Principle 6: Respect the rights of security holders

Computershare supports the proposed amendments to Recommendations 6.3 and 6.4 with regard to the conduct of security holder meetings. We note that the Principles and Recommendations retain the approach of requiring listed entities to disclose their conformity with the Principles on an 'if not, why not' basis, and agree that this however remains an important mechanism to allow entities to adapt application of the Principles to their particular circumstances, while communicating their reasoning for this to investors.

Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Computershare agrees with the proposed amendments to Recommendation 6.3 that listed entities with large or geographically diverse registers should consider how technology can be used to facilitate participation in the meetings. This is stated to include live webcasting, holding meetings across multiple venues linked by live telecommunications, and hybrid meetings that allow security holders to attend and vote in person, by proxy or online.

Declining attendance and voting levels at security holder meetings has been noted in Australia and many other international markets¹. In Australia, our clients have seen a 6.25% decline in attendance over the past 5 years, and a 21.5% decline in voting over the same period².

Computershare advocates the use of technological solutions to better facilitate security holder participation and engagement. Our global experience in Australia shows that the deployment of easy-to-use technological solutions often increases voting rates. Properly deployed and controlled, technology can improve the interaction between companies and their security holders at the meeting. With many clients using technologies like social media to better communicate and engage with both their customers and investors, we see that utilising technology for securityholder meetings can become a key part of a broader digital strategy.

Facilitating security holder participation is particularly challenging for entities with larger or geographically diverse investor bases, and we are pleased to see the Council's recognition of this in the Recommendation. Webcasting and/or the use of hybrid meetings offer particular promise in this regard. Computershare examined the manner in which hybrid (or fully virtual, in markets where this is permissible) meetings can be conducted to enhance security holder participation in our 2017 White Paper: [The future of shareholder meetings is virtually here](#).

A number of our clients in Australia and internationally have adopted hybrid or virtual (where permitted) meetings, as well as utilising other forms of engagement such as webcasting and various in-meeting technologies. They experienced overall improvements in voting and participation rates and we expect this trend to continue. Our parent company Computershare Limited also conducted our own 2017 AGM as a hybrid meeting, and has webcast the AGM since 2013.

Accordingly, we agree with the Recommendations as establishing best practice particularly for larger entities and those with geographically diverse investor bases. We also appreciate that the principle of 'if not, why not' provides scope for those listed entities that consider such technological enhancements to not currently be appropriate to communicate this to their investors.

Recommendation 6.4: A listed entity should ensure that all resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Computershare is also pleased to support Recommendation 6.4. This issue, and its impact on security holder participation, was also considered in our 2017 White Paper. In our view, poll voting should be considered best practice for meeting conduct.

Meeting trends in Australia, particularly among ASX 50 and ASX 300 entities, are supportive of this approach. In 2017, 96.15% of voting at ASX 50 meetings and 68.7% at ASX 300 meetings was by poll³, an increase of 6% for each category over the past 3 years. However, outside the ASX 300 we saw only 36.5% of voting in 2017 by poll, although this has increased from a rate of 18.3% in 2012. Again, the 'if not, why not' principle continues to provide scope for entities that consider that 'show of hands' voting better serves the structure and needs of their company and security holders.

¹ See "The future of shareholder meetings", June 2018, The Hong Kong Institute of Chartered Secretaries, available [here](#).

² Please see our Intelligence Report: "Insights from Annual General Meetings held in 2017", March 2018 available [here](#).

³ See above.

We trust you find our feedback and comments useful and we welcome the opportunity to further discuss our responses. Please do not hesitate to contact me using the details provided below should you have any questions or require any further information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G Dooley', with a stylized flourish at the end.

Greg Dooley
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