

# MINI SEASON MEETING SNAPSHOT

# 2024

Over the next few pages, we will provide you the key outcomes of the 2024 AGM mini season.

# MINI SEASON STATISTICS\*

This year hybrid meetings lead the way with 49% of our clients running a hybrid AGM.



## In-person, Virtual or Hybrid? What is the most popular meeting format?

Format is still a key consideration for many of our clients with planning conversations beginning much earlier in the year. With hybrid AGMs continuing to be the favoured format, it is clear the benefits of a hybrid solution is seen by both our clients and shareholders. Shareholder participation is much easier in a hybrid environment with increased flexibility and interactivity, ensuring everyone's voice is heard.

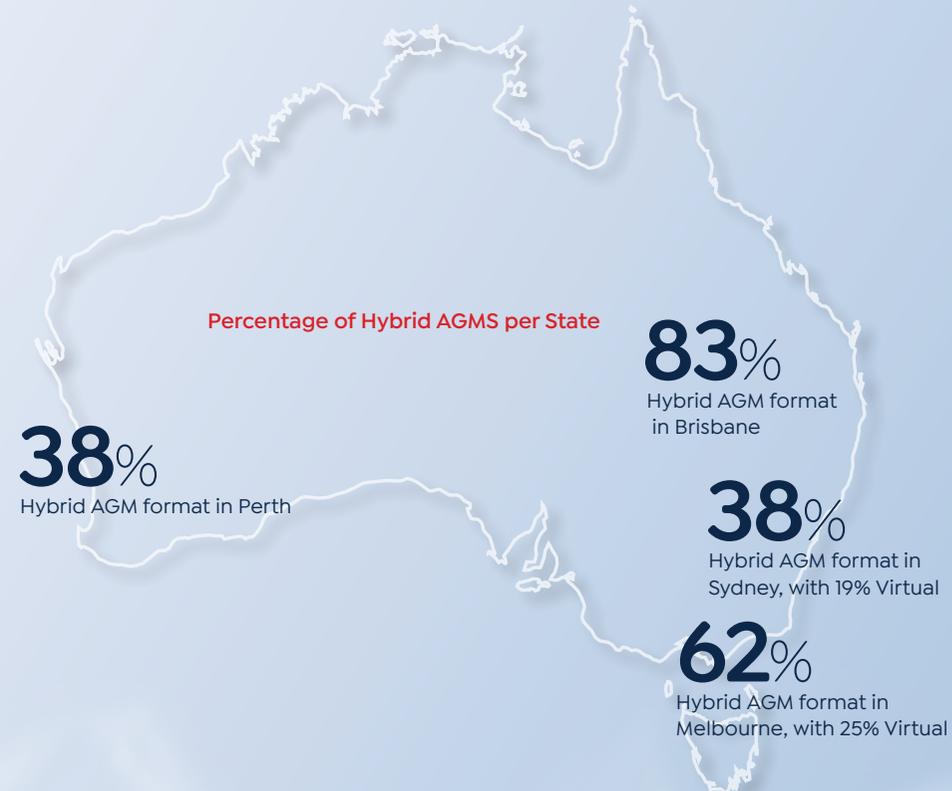
Key call outs when comparing this year's events to those of last year, are that in-person only events were down by 11% whilst fully virtual AGMs rose by 8%. Issuers are increasingly recognising the advantages of technology led meetings in promoting good governance, as it facilitates wider participation without being constrained by the location of the meeting.

When planning for a In-person or Hybrid meeting, location and venue are important factors to consider. Assessing the demographic of your register, ensuring you are located close to public transport for ease and comfort of your shareholders. Don't forget to ensure there is ample time post meeting for shareholders to interact with the board and executive in an informal setting.

## Meeting Format by ASX Index

In 2024, 75% of ASX100 clients ran a hybrid AGM with one opting for a in-person AGM.

2024	ASX 100	ASX 100-200	ASX 201+	UNLISTED
In-person	25%	25%	36.67%	0%
Virtual	0%	0%	23.33%	50%
Hybrid	75%	75%	40%	50%



In 2023 50% of ASX100 clients ran a hybrid AGM with the other 50% opting for a in-person AGM.

2023	ASX 100	ASX 100-200	ASX 201+	UNLISTED
In-person	50%	14.28%	45%	57.15%
Virtual	0%	0%	15%	28.57%
Hybrid	50%	85.72%	40%	14.28%

\*All stats in this report cover the AGMs we managed between January and June of 2024 and 2023 respectively. All figures are approximate averages and percentages.

# MINI SEASON STATISTICS\*



## Online Questions



## Meeting Attendance – On Average (Per AGM)



## Quick Statistics

**70%** of clients had an option for shareholders to pre-submit questions

**15** issuers utilised a shareholder phone line

**0** questions were received via the phone line

## Strikes

1st Strike received **5**

2nd Strikes received **2**

## Meeting Packs

Online dispatch of AGM materials continues to remain the most preferred engagement method following permanent changes to the legislation.

### EMAILED



### POSTED



## Voting Distribution

63% of shareholders lodged a proxy/direct vote online – up slightly from the same period last year. Online voting continues to be the most favorable way to lodge votes.

### ONLINE VOTES



### PAPER VOTES



\*All stats in this report cover the AGMs we managed between January and June of 2024 and 2023 respectively. All figures are approximate averages and percentages.

# COMMON QUESTIONS RAISED AT AGMS

Fee pool and  
remuneration  
increases

Transition  
to renewables  
and carbon  
emissions

Hydrogen  
production

Board  
diversity

Share price  
and return

Climate  
change

Shareholder Activists continue to participate in AGMs, their passion for advocating for best possible outcomes see several questions being asked online and in person.

The questions featuring at many meetings continue to be around takeovers, proxy advisors and solicitation campaigns. One recurring question across many meetings is 'will you provide an archived copy of the webcast and a transcript of the Meeting on your website?'

One activist has expressed their gratitude to Link Market Services on several occasions for providing excellent online AGM services to public companies since COVID-19 (supported by ASIC relief & later permanent legislative change) encouraged the use of technology led AGM solutions, recognising our involvement in the continued delivery of many hybrid meetings.

# PROXY CAMPAIGNS

As we delve into the results of the 2024 mini-AGM season, a nuanced picture of corporate governance emerges, reflecting the evolving priorities and pressures faced by companies and their shareholders. The voting trends data from Orient Capital's extensive proxy campaigns of ASX listed companies, offers a perceptive examination of voting trends from the mini-season, shedding light on key areas such as executive compensation, ESG issues, and the influence of proxy advisory firms on voting.

## Executive compensation remains key

The scrutiny on executive compensation continues to be intense. Shareholders and stakeholders alike remained vigilant about executive compensation for the mini-season. Voting data from the universe of campaign data during the period indicated that superannuation funds voted against 27.78% of remuneration reports in 1H24, up from 27.08% in 2023 and 22.17% in 2022. The continued increase in the percentage of votes against management backed remuneration reports indicates a demand from shareholders for greater transparency and alignment between executive pay and long-term shareholder value, in particular having performance tested STIs and LTIs that are competitive and at risk.

Having said that, the voting data for the mini-season also suggest investors were less belligerent against management when it came to grants and performance rights. Orient Capital voting data for the same cohort of superannuation funds recorded only 16.82% against votes for grants and rights in 1H24 among the same ASX companies, compared to the 27.78% seen in remuneration reports. Concordantly this 16.82% figure for 1H24 is also lower than the percentage of against votes recorded for this category in 2023 (19.44%) and 2022 (20.83%). This trend suggests a growing alignment between the expectation of investors and the structures of performance grant and rights developed by ASX listed boards.

## Governance in focus

While ESG issues remain a significant focus and prominent concern among investors, there appears to be a notable shift in shareholder feelings around the topic. To illustrate, voting results for director elections in the mini season indicates that while there's still a drive for board composition in term of gender, race and other ESG qualifiers, it hasn't stopped shareholders from voting for the election and/or re-election of directors to boards on the basis of better governance. This sentiment was reflected in the voting data, which saw 89.85% support from investment managers and Superannuation funds for director elections/re-election in 1H24 compared to 85.97% in 2023. This result could suggest a degree of maturation among shareholders who still care about board composition, but also recognise the importance for executive oversight and improved governance to shareholder value. This outcome appears to reinforce the wider trend seen in other markets, and highlights a growing sentiment that investors wish to seek more concrete results on ESG outcomes rather than symbolic ones.

# PROXY CAMPAIGNS (CONTINUED)

## Proxy advisors' continued influence

The influence of proxy advisory firms like ISS, Ownership Matters and Glass Lewis continue to shape corporate governance practices in Australia. ISS, for instance, has emphasized the importance of disclosures and executive stock in their ownership guidelines for 2024, pushing for better alignment between executive incentives and shareholder interests (ISS, 2023). These policies reflect a broader movement towards holding boards accountable for oversight of key strategic areas, particular in terms of compensation and performance.

Orient Capital voting data that investors are increasingly deferring to proxy advisors for proxy research and recommendations in voting. To illustrate, in the universe of ASX listed companies studied by Orient Capital, voting alignment amongst superannuation funds with ISS, Glass Lewis and Ownership Matters were 94.74%, 94.66% and 94.66% respectively for director elections/re-elections in 1H24, up from 86.17% (for ISS), 86.74% (for Glass Lewis) and 89.67% (for Ownership Matters) in 2023. This trend of increasing voting alignment over time with proxy advisors was also seen in the voting results of other resolution types like performance grants, and termination benefits.

That said, this trend of increasing alignment is not universal across all resolution types. In the case of remuneration reports, only ISS (73.06% to 86.81%) and Ownership Matters (82.11% to 88.79%) recorded increased voting alignment from 2023 to 1H2024, Glass Lewis, on the other hand saw a decrease in voting alignment of 74.73% in 1H24 for remuneration, down from 80.94% in the preceding year.

## Takeaways from this mini season

Several overarching themes emerge from the reviews of Orient Capital Campaign data for the period:

1. **Focus on Results** – Investors are increasingly results oriented, demanding clear, actionable outcomes and proven performance from proposals and compensation policies.
2. **Governance Over ESG** – there's a pivot back towards traditional governance issues, with less emphasis on new ESG proposals, suggesting a maturation in how investors approach these issues.
3. **Policy Influence** – The role of proxy advisors remains crucial in shaping how companies respond to shareholder concerns, particularly in areas like director elections.

In summary, the 2024 mini-AGM season reflects a landscape where governance, transparency, and accountability continue to remain paramount. It indicates that investors of Australian companies big and small are more discerning, demanding not just commitment but also tangible results from their engagements with companies. As Australian corporates navigate these demands, the balance between addressing immediate shareholder concerns and maintaining long-term strategic goals will be key to their governance strategies heading into the main AGM season at the end of the year.

## Bibliography

(ISS, 2023) Proposed ISS Benchmark Policy Changes for 2024, published 21 Nov 2023, ISS Governance, <https://www.issgovernance.com/file/policy/2023/Benchmark-Policy-Changes-For-Comment-2024.pdf>

# SCHEME MEETING CASE STUDY

On 24 April 2024, Link Administration Holdings Limited (Link Group) held their Scheme Meeting which saw 99.31% of all shareholder votes being voted in favour of the company being acquired by Mitsubishi UFJ Trust & Bank Corporation (the Trust Bank).

The scheme meeting was delivered by our **Meetings and Events team** using the latest hybrid meeting technology enabling shareholders to ask questions and vote both virtually and in person, at the Four Seasons Hotel in Sydney. The hybrid meeting saw **109** shareholders participate online and **52** participate in the room, with one director connecting from the UK via our Video Conferencing technology in order to participate in the meeting formalities.

The campaign, which ran for several weeks saw collaboration and co-ordination across multiple teams within our organisation to successfully deliver a transaction of this scope. Lead by the Client Relationship Manager and over 40 people across 12 teams contributed in various stages of the transaction.

- Link Digicom produced the Scheme Booklet which was subsequently distributed to its shareholder base via post and email
- Orient Capital drove a program of proactive investor engagement which included outbound campaign (email, SMS, postcard mailing and call campaign to retail shareholders, along with a proxy campaign and register analysis to track votes lodged towards the scheme)
- Contact Centre responded to investor queries before and after the meeting
- Operations team processed all proxy instructions received for the scheme meeting
- Treasury Payments processed a special dividend payment following shareholder and court approval of the scheme
- Capital Markets transferred all shares and ownership to MUFG on implementation date of 16 May 2024.

This particular meeting, closely watched by all at Link, is a perfect example of the depth of our knowledge across our teams and demonstrates our excellence in service.



# Intro to MUFG Pension & Market Services

**LINK GROUP WAS ACQUIRED BY MITSUBISHI UFJ TRUST & BANKING CORPORATION (THE TRUST BANK OR MUTB), A CONSOLIDATED SUBSIDIARY OF MITSUBISHI UFJ FINANCIAL GROUP, INC. (MUFG) ON 16 MAY 2024.**

As part of this, Link Group is now known as MUFG Pension & Market Services, comprising a number of businesses including MUFG Corporate Markets, of which Link Market Services is a part.

MUFG Pension & Market Services is a global, digitally enabled business that empowers a brighter future by connecting millions of people with their assets – safely, securely and responsibly.

Through our two businesses MUFG Retirement Solutions and MUFG Corporate Markets, we partner with a diversified portfolio of global clients to provide robust, efficient and scalable services, purpose built solutions and modern technology platforms that deliver world class outcomes and experiences.

A member of MUFG, a global financial group, we help manage regulatory complexity, improve data management and connect people with their assets, through exceptional user experience that leverages the expertise of our people combined with scalable technology, digital connectivity and data insights.

Over the coming months, you will see Link Market Services progressively rebrand to its new name. While our name may be changing, please be assured that there will be no changes to how we operate, or the services that you currently receive.

# NEXT STEPS

We have a comprehensive range of meeting services that cover everything you need to run your meetings effectively, including audio and video webcasting, conferencing services, transcriptions, minute taking and audio visual/event management.

Our offerings include Hybrid (online and in person), Fully Virtual (online) and In-person meetings. Our meeting technologies allow your holders to attend virtually, view the meeting, lodge their votes and/or ask questions from the convenience of their home/office.

In addition to being able to ask written questions via our online platform, you can now verbally ask questions via our web phone facility.

As we look ahead to the rest of the year, we anticipate on the back of early conversations we have been holding with our clients that the majority of issuers will be looking to a hybrid format for the main season.

**To learn more about any of our meeting offerings and to kick start the planning of your 2024 AGM, please reach out to your Client Relationship Manager.**

## Link Market Services

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## STATUTORY REVIEW OF THE MEETINGS AND DOCUMENTS AMENDMENTS

We continue to advocate for our clients, engaging with industry stakeholders and treasury. We have participated in recent roundtable discussions and will be responding to the consultation paper due in July.

If you wish to discuss this in more detail, please don't hesitate in contacting your Client Relationship Manager.