



Another year of sound performance

Company/ASX Code	Computershare/CPU
AGM date	Wednesday 14 November 2018
Time and location	10am Yarra Falls, 452 Johnston Street, Abbotsford, Victoria
Registry	Computershare Services
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Merv McDougal
Pre-AGM Meeting?	Yes, with Chair Simon Jones

Item 1	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

Computershare had an excellent year, upgrading its earnings guidance twice during the year, eventually achieving Management earnings per share (EPS) growth of 14.1% in constant currency terms. Most arms of the business continued to perform well, with margin income improving on the back of rising interest rates. The acquisition of Equatex during the year will significantly enhance capabilities in employee share plans, which provide a strategic growth engine for the company. Shareholders have done well, with the total dividend for the year increasing by 11.1% to A\$ 40 cents per share.

Computershare expects to deliver around 10% growth in FY19 Management EPS in constant currency terms. This is expected to be achieved through stronger contributions from mortgage services, employee share plans and margin income. In addition, a strong emphasis on cost-out programmes will continue.

Two new female directors are up for election at the AGM, which, if they are successful, will ensure that Computershare will easily meet ASA guidelines for a minimum of gender diversity.

Summary

(As at FYE)	2018	2017	2016	2015
NPAT (USD \$m)	308.33	271.70	161.80	157.28
UPAT (USD \$m)	344.7	297.3	303.5	332.7
Share price (\$)	18.43	14.14	9.17	11.71
Dividend (cents)	40	36	33	31
TSR (%)	55.3	58.1	-18.9	-3.7
EPS (cents)	55.17	48.76	28.55	27.61
CEO total remuneration, actual (\$m)	2.736	2.129	1.095	2.962

For 2018, the CEO's total actual remuneration was 31.8 **times** the Australian Full time Adult Average Weekly Total Earnings (based on May 2018 data from the Australian Bureau of Statistics).

Item 2	Re-election of Mr Chris Morris as a Director
ASA Vote	For

Summary of ASA Position

Mr Morris and an associate established Computershare in 1978. He was appointed CEO in 1990 and oversaw the listing of Computershare on the ASX in 1994. Mr Morris was appointed the Group's Executive Chair in November 2006, relinquishing his executive responsibilities in September 2010 and standing down as Chair in November 2015. Mr Morris is Chair of Smart Parking Technologies Limited and Chair of DTI Limited. He is also a member of the Nomination Committee and a member of the Acquisitions Committee. Mr Morris is not considered to be independent given his background, but the board has a sufficient proportion of independent directors and a balance of more recent appointments. ASA supports his re-election.

Item 3	Election of Ms Abi Cleland as a Director
ASA Vote	For

Summary of ASA Position

Ms Abi Cleland was appointed as a non-executive director of the Company on 14 February 2018. She has extensive global experience in strategy, M&A, digital and business growth. Over the last five years, Ms Cleland set up and ran an advisory and management business, Absolute Partners, which focused on strategy, M&A and building businesses leveraging disruptive changes. She is a non-executive director of Orora Limited, Sydney Airport Limited and Swimming Australia. She is

also Chair of Planwise Australia. While Ms Cleland does seem to have a full card, she brings a good skill set to the Board and ASA supports her election.

Item 4	Election of Ms Lisa Gay as a Director
ASA Vote	For

Summary of ASA Position

Ms Lisa Gay was appointed as a non-executive director on 14 February 2018. She has extensive financial services experience in funds management, investment banking and stockbroking. She was formerly Chair of ASIC's Markets Disciplinary Panel and Deputy Chair of the Indigenous Land Corporation. Ms Gay is a non-executive director of Victoria Funds Management Corporation, and of Koda Capital. She is also a member of the Council of Trustees of the National Gallery of Victoria. Ms Gay is a member of the Risk and Audit Committee and a member of the Nomination Committee. ASA supports the election of Ms Gay.

Item 5	Election of Dr Paul Reynolds as a Director
ASA Vote	For

Summary of ASA Position

Dr Paul Reynolds was appointed a non-executive director of the Company on 5 October 2018. He is based in the UK and was a member of the board at British Telecom from 2001-2007. He was CEO of Telecom New Zealand from 2007-2012, during its turnaround and the world's first structural separation into independent retail and network companies. He is Chair of 9 Spokes Limited and a non-executive director of XConnect Global Networks Limited. Dr Reynolds is a member of the Nomination Committee and ASA supports his election.

Item 6	Remuneration Report
ASA Vote	For

Summary of ASA Position

The Remuneration Report is generally compliant with ASA guidelines and includes a table of actual remuneration paid as well as the statutory requirements. Computershare does not have a requirement for directors to have 'skin in the game' but encourages directors to take up a shareholding. Only one director, Ms Tiffany Fuller, with a holding of 2,000 shares, has failed to acquire a shareholding to the quantum recommended by ASA. Ms Fuller was also criticised last

year for this deficiency but has not made any additional purchases. The action to approve a 50% increase in the CEO's fixed remuneration could be considered excessive in current circumstances. However, the case is well argued and with overall remuneration following the change slightly below the median of the comparator groups, the adjustment is seen as fair. ASA has criticised the three-year term for assessment of LTI awards and would like to see this extended to four or five years. The Company argues that, at the end of the three-year period, the CEO still has another one and two years of awards running, which ensures there is still a motivator to encourage the CEO to take a long-term view. On balance, ASA supports the remuneration report.

Item 7	Grant of Performance Rights to the CEO
ASA Vote	For

Summary of ASA Position

The total number of performance rights to be granted to the CEO is 129,707. This number was determined based on the CEO's maximum FY19 LTI opportunity which is calculated by dividing A\$2.48m (40% of the CEO's total remuneration opportunity) by A\$19.12 (being the volume weighted average price of Computershare shares over the five trading days following the release of the Company's FY18 results on 15 August 2018). This number is therefore based on 'face value', which complies with ASA policy. The grant of performance rights is subject to two separate performance conditions measured over a three-year performance period.

One half of the grant of performance rights will be tested against a performance hurdle based on the average annual growth in management EPS, with 50% vesting at a threshold of 5% and pro rata vesting between 50% and 100% at a maximum of 12% growth. The growth is calculated on a constant currency basis to avoid unintended windfall gains or losses by virtue of currency movements.

The other half of the grant is tested against a performance hurdle based on Computershare's relative total shareholder return (TSR) performance against the ASX100 index. The grant of 50% of the award at the 50th percentile, rising to 100% at the 75th percentile runs counter to ASA advice that awarding 50% of rights for 'average' performance is not realistic and that a higher standard of 30% at the 51st percentile, rising to 100% at the 86th percentile, would be preferable. Computershare does not accept the assessment of the 50th percentile as being 'average' but agreed to look at the argument at their next review of remuneration policies. On balance, ASA supports the grant of performance rights to the CEO.

Item 8	Amendment to Performance Right Hurdle
ASA Vote	For

Summary of ASA Position

This resolution seeks to apply the constant currency provisions provided for in the CEO's FY19 grant of performance rights to the previously approved FY17 and FY18 grants. The proposal is that EPS performance be calculated based on an average of the annual growth in management EPS on a constant currency basis across each year of the performance period. Removing the effect of currency fluctuations seems to be a logical action and has our support. Computershare is unable to predict the impact of the resolution on future vesting of the awards as the impact of currency movements over the full period is unknown. However, based on currency movements within the respective performance periods to date, the difference in vesting outcomes is currently immaterial.

The individual involved in the preparation of this voting intention has a shareholding in this company.

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