



Company	Computershare Limited
Code	CPU
Meeting	AGM
Date	14 November 2018
Venue	Yarra Falls, 452 Johnston Street, Abbotsford
Monitor	Merv McDougal

Number attendees at meeting	About 50 shareholders and visitors. The AGM was also held as a hybrid with real-time online participation
Number of holdings represented by ASA	258
Value of proxies	\$18.965m
Number of shares represented by ASA	967,618 (equivalent to 0.18%)
Market capitalisation	\$10.64bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Simon Jones

Shock strike against remuneration report follows excellent year's results

Chair Simon Jones opened the meeting with a brief summary of the highlights for the year, which included an increase of over 14% in management earnings per share (EPS), representing the fastest rate of earnings growth at Computershare since 2009. The company continued to generate strong free cash flow, with the Board increasing the total dividend to 40 Australian cents per share, an increase of 11.1% over the previous year. The Chair then talked about Board renewal and provided a very genuine appreciation of the efforts of the two long-term directors, Penny Maclagan and Les Owen, who were retiring after the meeting. Each received long applause from those present. The CEO, Stuart Irving then gave a presentation on future growth prospects, with Mortgage Services and Employee Share Plans expected to be the main drivers of future growth. The CEO also reported that FY19 had started well which led him to confidently affirm management EPS guidance to increase by around 10% on FY18.

Chair Simon Jones then proceeded with the formal part of the meeting. There were no questions on the financial aspects and the motions to re-elect Chris Morris and to elect the new directors followed. Pleasingly, each of the new directors spoke to the meeting and outlined what they thought they could bring to the company. All were comfortably elected with Chris Morris receiving

support of 91% of shares voted for his re-election and the new directors obtaining 99% plus for votes.

The Chair then proceeded to Resolution No 6, which was the remuneration report. As the voting figures were displayed, what had been a convivial audience became sombre as the realisation hit that there had been a significant protest vote against the remuneration report. Chair Simon Jones explained that some proxy advisors had considered the additional payments made to facilitate the relocation of the CEO to the UK, as part of his pay, which had led them to conclude that his pay was excessive. ASA had previously observed that the increased remuneration of the CEO had put him at about the 50% level of ASX100 CEO's and voted for the remuneration report. The final voting position was an against vote of 31.89%, meaning the company sustained a first 'strike'. By contrast, the remaining resolutions on performance rights for the CEO and changing the hurdles for existing performance rights for the CEO were passed with against votes of only 2.32% and 1.28% respectively. ASA supported all resolutions.

Discussions with Chair and CFO Mark Davis following the meeting indicated that many of the index funds holding shares in the company followed the proxy advisors who had decided to recommend voting against the remuneration report. Directors only became aware of this protest immediately prior to the meeting and had found difficulties in contacting representatives of the various funds. Certainly, press coverage of the results was limited, with no coverage by The Australian or The Financial Review, although The Age Digital Edition did provide a report.