



## MEDIA RELEASE

### **Link AGM Snapshot: Shareholder engagement key as investors move away from proxy guidance**

**18 February 2019:** Leading global share registry provider, Link Market Services has today released its annual AGM Snapshot, revealing investment managers and superannuation funds are increasingly voting contrary to the recommendations of their proxy advisors.

Link Market Services' *AGM Snapshot*, is an annual report that analyses voting outcomes from some 400 Australian listed entities, ranging from S&P/ASX 20 companies to the All Ordinaries. The 2018 analysis shows 27 companies received strikes – up from 22 in 2017.

The 2018 AGM Snapshot also revealed a decline in the influence of proxy advisors, with investment managers only voting in line with their proxies 25.1 per cent of the time, and super funds following their advisors in just 42.7 per cent of resolutions.

Link Market Services CEO Lysa McKenna said the particularly contentious 2018 AGM season demonstrated the importance of shareholder engagement.

“The increased scrutiny placed on board performance and corporate governance in the wake of the Royal Commission into the Banking and Financial Services sector has led to investors increasingly forming their own independent views on company remuneration and re-election resolutions,” she said.

“With just one-in-four investment managers and less than half of superannuation funds voting in line with their proxy advisor’s recommendations in 2018, it is clear companies need a strategy to ascertain and influence major shareholder voting intentions ahead of the 2019 AGM season, through direct engagement and services like proxy campaigns.”

There was also an increased focus on director elections, particularly where the entity was underperforming or there were broader governance or risk concerns, Link’s AGM Snapshot revealed.

“Historically, director elections and re-elections have been viewed by companies as non-events, often passed with almost unanimous support and few probing questions from shareholders. In the last few years, and especially in 2018, we’ve seen a big shift towards investors requesting directors address the AGM and explain why they should vote in favour of their election, and some companies are even pre-empting this by having each director up for election address the meeting ahead of the vote,” Ms McKenna said.

“After the spike in ‘against’ votes on director elections and remuneration reports in 2018, our key recommendation for the 2019 AGM season is that greater engagement with

shareholders is needed throughout the year, particularly with technology making it easier than ever before for investors to voice their displeasure.”

A number of ASX-listed companies are utilising hybrid meeting technology to improve shareholder engagement, with Oz Minerals and Mirvac experiencing increases in AGM attendance of 99 per cent and 188 per cent respectively after introducing the technology in 2018.

Ms McKenna anticipates the use of hybrid meeting technology will become more prevalent in the 2019 AGM season and beyond, which together with the consistent growth in online voting will continue to “democratise the process”.

“There was a 3.21% increase in online voting in 2018 which is consistent with growth over the past decade. The highest usage rate of online voting technology is in the S&P/ASX 200 with almost half of all votes being lodged electronically, highlighting the utility and importance of the platform.”

Link Market Services’ AGM Snapshot is available [here](#).

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**About Link Market Services**

Link Market Services is a member of ASX-listed Link Group (ASX: LNK), a leading global administrator of financial ownership data within the pension fund industry and across corporate markets. Underpinned by our investment in technology, people and processes, we deliver comprehensive data and information solutions for companies, large asset owners and trustees across the globe. We are a market-leading provider of technology-enabled administration solutions, continually developing our offerings to expand with our clients’ needs.

Link Group's Corporate Markets division delivers a suite of services that assist organisations globally to meet the obligations that come with the public ownership of their companies or products, as well as managing their interactions with the capital markets. Our uniquely integrated range of corporate markets capabilities includes registry, employee share plans, investor relations and stakeholder engagement, company secretarial services and insolvency solutions.

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