



Company	Computershare
Code	CPU
Meeting	AGM
Date	11 November 2020
Venue	Online
Monitor	Jason Cole

Number attendees at meeting	Unknown
Number of holdings represented by ASA	197
Value of proxies	\$10.9m
Number of shares represented by ASA	803,774
Market capitalisation	\$7.32 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Simon Jones (Chair), Dominic Horsley (Company Secretary) and Tanya Singh (Global Head of Reward)

1st Strike Narrowly Avoided

Computershare (CPU) received a 24.39% against vote on the remuneration report, meaning a first strike was avoided by a slim margin. CPU previously received a first strike in 2018. The ASA voted its open proxies against the remuneration report because of concerns regarding FY21 long term incentive (LTI) equity grant, reduced alignment with ASA guidelines and less transparency regarding short term incentive (STI) outcomes than previously provided.

A question was asked by another shareholder regarding the high number of against votes received. The company responded by stating that some of proxy advisors had recommended an against vote. Their belief being that the mechanics of the LTI, principally the share appreciation rights (SAR) and subsequently withdrawn recovery equity grant, were not in the best interests of shareholders. The company has noted these concerns.

Chair Simon Jones opened the meeting by stating that he hoped next year's meeting would be able to revert to the traditional hybrid format whereby shareholders are able to attend both physically and online.

His presentation concentrated on the results achieved by Computershare in what has been a difficult year, concentrating on earnings before interest and taxes (EBIT) excluding margin income. Essentially, he wanted to highlight the profitability that is primarily management controlled.

A detailed outline of CPU's response to Covid-19 was provided with emphasis given to how the company supported its staff to work from home whilst still delivering a full level of service to its customers. Finally, detailed comment was given regarding CPU's social responsibilities with prominence given to sustainability, diversion, and inclusion initiatives.

CEO Stuart Irving covered three topics. These being a review of CPU's performance in FY20, the key priorities for FY21 and an update on the trading performance for the current year including which sectors are ahead, behind or in line with expectations. Full year guidance for management earnings per share (EPS) to be down by around 11% was affirmed after being initially provided in August 2020.

The detail of both presentations is available on the [ASX website](#).

Both directors seeking re-election were comfortably returned with support above 97.5% of shareholder votes.

The other item of business related to the FY21 equity grant to the CEO. The ASA opposed this due to the use of a 'fair value' calculation method to determine the number of SARs and an unknown potential upside. This item was carried, but received a 29.57% against vote. The ASA sought more information about the safeguards that were in place to prevent windfall outcomes. The company response was that the SARs apply to and replace only 50% of the LTI benefits and only for one year. Additionally, as CPU is a mature company it was considered that board discretion was a sufficient safeguard.

The ASA also asked, "Why can't shareholders be permanently identified by their HIN to end communication every time shares are bought and sold?" This question relates to shareholders having to provide address, bank details and communication preferences for each share purchase beyond the initial contact with the registry. The response from the company was that there are a range of complex issues to be overcome, but they are confident that they can provide a solution to this issue soon.

The ASX website contains full [results](#) of the meeting.