ASA Voting Guidelines - One Page Summary of Key Requirements

This only highlights key parts of, and does not replace, the detailed guidelines (referenced in square brackets)

A. Governance and Transparency

1. Retail shareholders expect the companies in which the invest to operate in a fair manner [1].
2. An independent Non-Executive Chair and majority of independent directors [2.1]
3. Meaningful board skills matrix [3.01]; clearly explained and demonstrably independent process for appointment and ongoing evaluation of directors [3.04, 3.07]; reasons for all resignations released to ASX [3.04]
4. Directors are considered non-independent if an executive less than three years prior to appointment or have served for over 12 years; we will only support such directors if point 2 above is satisfied [3.05]
5. Max. director workload equivalent to five NED roles (Chair counts as two, unlisted may count) [3.08]
6. Boards to have at least 40% female and at least 40% male directors with diversity of geography, age, and ethnic background. [2.3]
7. Directors and other KMP to have invested at least one year's worth of base cash fees in company shares, within three years for NEDs and five years for other KMP [7]
8. No donations to political entities and all payments to such entities disclosed in the Annual Report [8]
9. A five-year (or more) history of key financial metrics in the Annual Report [11]
10. Meaningfully disclose ESG issues or risks facing business and processes to manage via TCFD or GRI [4.2]
11. "Say on Climate" vote to be held annually where material risks identified [9]
12. Audit company tenure and date of last competitive tender disclosed in the Annual Report [5]
13. Hybrid AGMs preferred (physical with virtual component), no constitutional change to virtual-only [10.1]; All directors speak to their nomination [3.03]

B. Remuneration

14. Remuneration report to be readable, transparent, and understandable for retail investors with a logical relationship between rewards and financial performance and corporate governance [12]
15. CEO's actual take-home remuneration as well as the target and maximum opportunity of each component should be clearly disclosed [13.6]
16. At least 50% of CEO's pay to be genuinely at risk, primarily through LTI with target STI, if any, less than fixed remuneration [13.3]
17. Majority of STIs to be based on quantifiable and disclosed performance metrics and, where non-financial hurdles are used, no STIs to be paid above target unless a financial gateway is met [13.4]; at least 50% of STIs to be paid in equity with a minimum 12 month holding lock [13.3]
18. Clear disclosure for all KMP performance hurdles and the weightings applied for each incentive [13.6], with no retesting allowed [13.3]
19. LTI hurdles measured more than three (preferably four) years or more after issue [13.4], be based on at least two hurdles, one of which is TSR, with no payment if absolute TSR is negative; comparator groups to be from similar industries and include key competitors and any relevant foreign companies; no awards based on such groups to vest unless performance is >50th percentile [13.4]
20. All share grants to be allocated at face value [13.3]; satisfied by equity purchased on-market [7, 13.2]
21. Any hurdles based on earnings to include statutory negative items (write-downs, restructuring costs) [13.5]
22. No sign-on benefits but where these are unavoidable, to be deferred equity base payments which vest upon meeting three to five-year performance hurdles [13.3]
23. No retention payment on any awards which are subject only to continuing service, and no termination payment which exceed 12 months fixed pay [13.3]
24. No full vesting in a takeover or "change of control" event [13.3]

C. Capital Management

25. Equity raisings to be by pro-rata renounceable offers [15.3]
26. Failing a pro-rata offer, any selective placement to be accompanied by a share purchase plan (SPP) of sufficient size to prevent dilution of retail shareholders [15.4]. Scale-back policies to reflect size of shareholder's existing holding and be fully disclosed in offer documentation; post offer disclosure also required [15.6]
27. Consider opposing incumbent directors seeking re-election at next AGM if unfair capital raising [15.7]
28. No selective buybacks [18]