

Computershare Limited 2023 AGM report

ASX code	CPU
Meeting date	Wednesday, 15 November
Type of meeting	Hybrid
Monitor	Stewart Burn and John Whittington
Pre AGM-meeting	With chair Paul Reynolds and Company Secretary Dominic Horsley

Meeting Statistics

Number of holdings represented by ASA	158
Number of shares represented by ASA	713k
Value of shares represented by ASA	\$17.6m
Total number attending meeting	To be advised
Market capitalisation	\$20.7 billion
ASA open proxies voted	ASA voted in favour of all the resolutions except the remuneration report and the issue of the LTI performance rights to the CEO

The AGM was opened by Paul Reynolds with his first meeting as chairman.

The chair and CEO speeches were published on the ASX prior to the meeting and can be seen here [CPU - 2023 AGM scripts](#).

Computershare Limited (CPU) provided an update on its operations. Employee share plans' transaction volumes and corporate action volumes continued to recover strongly and recent acquisitions (i.e. Wells Fargo, TSA etc) are performing well. CPU now has the financial firepower to finance acquisitions if the right ones are found. Core fee income is up 14% and margin income is up to approximately \$500m. They have stabilised margin income through hedging, which locks in approximately 50% for the next year, decreasing after that. They expect FY24 margin income to be around \$840m.

Two directors were up for re-election, and both spoke to their nominations. Mr Joseph Veli was approved with 95.5% and Ms Abigail Cleland with 96.1%.

The two remuneration resolutions received significant support, despite the ASA voting against them. The remuneration report with 95% and the LTI award with 98%, which indicates that the ASA were at odds with most shareholders who recognised the excellent performance of CPU and didn't worry about the SARs, which dated back to 2021 and vested.

Questions and Answers

ASA Questions

Buybacks are useful where the shares are at a significant discount to fair value, but they can also be perceived that the business does not see better opportunities for the available funds or that the board has run out of ideas. Can you please comment as to why CPU instigated a share buyback?

Many shareholders think buy backs an essential part of returns. We need to balance what we are going to do with funds. Balance between all three issues highlighted by the ASA. Only \$50m of the \$750m buy back has happened so far. We believe we can find the balance.

Can you advise why the LTI has been increased from 150% of base salary to 172% of salary and why was the STI target increased form 83% of salary to 100%.

Increasingly business is overseas, senior execs operate in international markets. Although Stuart's pay is higher than Australian benchmarks, it is in line or less than overseas benchmarks.

Other questions centred around:

- Diversity other than gender diversity? In the last year, CPU implemented a diversity inclusion strategy, seems employees are responding positively to this.
- Increase in financial costs? Drew down debt for Wells Fargo acquisition quite early, also interest rates. Over the course of FY24 will strengthen the balance sheet.
- When is CPU going to do a 4 to 1 share split? Used to do this in the past. CEO believes that shares are undervalued.
- Steven Mayne (SM) - number of shareholders voting? Intend to carry on as they do. Interesting theory, understand the ask and will consider it.
- SM - what LTIs have vested over the year? Introduced 2017, since then varied between 0% and 100% (quoted the figure for each year), average 40% over the period. Can't defer tax as he could do when in Australia so has had to sell shares to pay tax bill.
- SM - Automic new entrant - how is this affecting business and margins? Automic are good supporting companies with small shareholder size. Margins are increasing.
- SM - disclosure regarding capital raising and use of PAITREO's. Placement is simplest but in CEO's view doesn't cut it for all shareholders, PAITREO's are fairer, but it's up to other companies if they use them.
- SM - how to engage with Chris Morris and other major shareholder who are involved with the business? Stuart gave a good answer re the Morris family and their involvement and that essentially they are treated as other shareholders are.
- SM - many companies disclose proxy position before meeting, will CPU do the same? Did any of the proxy advisors vote against? Stuart advised that they will consider disclosure. ASA against rem and LTI, all others for.

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