

Media Release

ASA puts ASX boards on notice ahead of AGM season

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Retail shareholders will be watching executive pay, board accountability, shareholder engagement, hybrid AGM participation, AI and cybersecurity this AGM season, with the Australian Shareholders' Association releasing its **2026/2027 AGM Focus Issues** to set clear expectations for ASX-listed company boards.

ASA CEO Rachel Waterhouse said the Focus Issues tell companies what retail shareholders expect because strong governance supports better performance and long-term value creation.

"Shareholders are owners of the companies they invest in. They have a right to clear information, meaningful engagement and strong board oversight," Ms Waterhouse said.

"Good governance is not a tick a box exercise. It is central to shareholder trust, board accountability, better company performance and long-term value creation."

ASA's 2026/27 AGM Focus Issues are:

1. Align executive pay with long-term shareholder value
2. Disclose individual director skills to strengthen board accountability
3. Improve shareholder engagement and provide hybrid AGM participation
4. Strengthen board oversight of AI and cybersecurity risks

Ms Waterhouse said the Focus Issues would guide ASA's company monitoring, engagement and voting intentions.

"These Focus Issues give companies a clear signal about what retail shareholders will be watching this AGM season," Ms Waterhouse said.

"Executive pay needs to be clearly linked to performance. Shareholders need better information on individual directors. AGMs should support genuine participation, and boards must show they are actively overseeing material AI and cybersecurity risks.

"Where disclosure, oversight or engagement falls short, ASA may reflect that in its voting recommendations."

ASA will write to ASX chairs to outline this year's Focus Issues and set clear expectations for disclosure and engagement with retail shareholders. ASA will also engage directly with companies in its monitoring program ahead of their AGMs to discuss these issues and how they can strengthen engagement with retail shareholders.

In 2025, ASA met with 149 chairs and directors of ASX-listed companies ahead of their AGMs, giving retail shareholders a direct voice on governance, remuneration, board accountability, and shareholder engagement.

“ASA’s company monitoring and voting intentions are designed to help retail shareholders make informed decisions,” Ms Waterhouse said.

“By setting out these expectations clearly, ASA is encouraging companies to focus on governance practices that support accountability, trust and long-term shareholder value.”

ASA 2026/2027 AGM Focus Issues

1. Align executive pay with long-term shareholder value

ASA advocates for remuneration structures that are transparent, performance-linked and aligned with long-term shareholder value. Companies should adopt a clear remuneration framework incorporating simplicity, transparency, alignment with long-term outcomes, appropriate performance hurdles and the prudent use of board discretion. Disclosures should enable shareholders to readily understand how remuneration outcomes are determined and how they reflect company performance over time.

Key ask: ASA expects clear and comprehensive disclosure demonstrating a credible link between pay outcomes and long-term performance. Where this alignment is not evident, or disclosure is insufficient, ASA is likely to recommend voting against the remuneration report and/or relevant remuneration-related resolutions.

2. Disclose individual director skills to strengthen board accountability

We expect boards to demonstrate strong accountability through independent assessment of individual director contributions, tenure, independence and expertise. Companies should provide meaningful disclosure of individual director skills and how those capabilities align with the company’s strategic needs, together with commentary on how board composition is evolving. This supports informed shareholder voting and confidence in board effectiveness.

Key ask: ASA expects sufficiently detailed, decision-useful disclosure on individual directors and board composition. Where boards do not provide adequate transparency or demonstrate alignment with the company’s strategic needs, ASA may recommend voting against the re-election of relevant directors.

3. Improve shareholder engagement and provide hybrid AGM participation

ASA supports timely, accessible and meaningful shareholder engagement, including best-practice hybrid AGM formats. Companies should ensure shareholders can participate, ask questions and vote in real time regardless of location. Engagement practices should be transparent and facilitate constructive dialogue between boards and shareholders, both at and beyond the AGM.

Key ask: ASA expects companies to adopt hybrid AGM formats and engagement practices that provide equitable participation for all shareholders. Where access is limited or engagement practices fall short of best practice, this may be reflected in ASA’s voting recommendations on relevant governance resolutions.

4. Strengthen board oversight of AI and cybersecurity risks

ASA expects boards to demonstrate active and informed oversight of material technology-related risks, including artificial intelligence and cybersecurity. Boards should maintain sufficient

understanding and literacy to oversee AI use effectively, challenge management and avoid undue reliance on third-party providers. Where relevant, companies should clearly disclose governance frameworks, risk management processes and accountability structures, including how AI is aligned with risk appetite and embedded within enterprise risk management.

Key ask: ASA expects clear, entity-specific disclosure demonstrating robust board oversight and active management of material AI and cybersecurity risks. Where governance, oversight or disclosure is inadequate, ASA may take this into account when considering the election or re-election of directors with relevant oversight responsibilities, or other governance-related resolutions.

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About the Australian Shareholders' Association

Australian Shareholders' Association is an independent, not-for-profit shareholder association and the voice of retail shareholders. ASA supports individual investors through education, advocacy, company monitoring and a national community that helps investors build knowledge, confidence and connection. ASA promotes transparency, accountability and fairness in Australia's capital markets.