

ASA Governance Intelligence and the Future of Shareholder Voting

Board Strategy Days discussion paper (Natalie K)

This paper brings together two related strategic questions for ASA: how shareholder voting participation is changing, and how ASA can convert its company monitoring capability into a scalable Governance Intelligence offering for members, retail investors and selected institutional audiences.

The evidence points to a structural shift. Proxy voting is becoming easier, yet fewer retail investors are choosing to participate. ASA's proxy giving data reinforces this trend: proxies received have fallen from 56,000 in 2015 to 21,000 in 2025, while the average value represented by each proxy has increased materially.

The opportunity for ASA is therefore broader than increasing proxy appointments alone. ASA can continue to represent shareholders through proxy voting while also extending its influence through trusted governance research, digital voting guidance, member-facing tools and potential partnerships.

The recommendation is that the Board Strategy Days endorse, in principle, further development of ASA Governance Intelligence as a staged strategic and commercial opportunity, subject to a detailed business case. That business case would test resourcing, technology, costs, governance, structure, independence safeguards, member access, institutional demand, pricing and commercial viability before any go/no-go decision.

1. Strategic context: shareholder voting is changing

Retail participation continues to decline

The most significant finding from the 2025 ProxyPulse report is that retail shareholders voted only **28%** of the shares they owned, the lowest participation rate recorded in nine years. Institutional voting also declined to **76.6%**, its lowest level in more than a decade.

The challenge is no longer access to voting, but engagement. Many retail shareholders do not vote due to apathy and complexity: proxy notices are being overlooked, resolutions appear complex, deadlines are missed or investors are uncertain how to vote.

2. ASA proxy giving trends: 2014–2025

ASA's own 12-year proxy giving data highlights a clear structural trend: proxy volumes and the number of companies monitored have declined materially, while the average value represented by each proxy has increased.

Year	Companies monitored/observed	Proxies received	Value of proxies	Average value per proxy*
2025	137	21,000	\$2.547bn	\$121,300
2024	146	26,000	\$2.980bn	\$114,600
2023	155	29,000	\$2.849bn	\$98,200
2022	175	36,000	\$3.614bn	\$100,400
2021	174	35,000	\$3.399bn	\$97,100
2020	176	34,000	\$2.922bn	\$85,900
2019	168	44,000	\$3.801bn	\$86,400
2018	172	46,000	\$3.661bn	\$79,600
2017	174	48,000	\$3.963bn	\$82,600
2016	177	52,000	\$3.897bn	\$74,900
2015	187	56,000	\$3.893bn	\$69,500
2014	195	51,000	\$3.773bn	\$74,000

The trend is significant. Between 2015 and 2025, proxies received fell from 56,000 to 21,000, a decline of approximately 63%. Over the same period, the average value per proxy rose from \$69,500 to \$121,300, an increase of approximately 75%. This suggests ASA is receiving fewer proxy appointments, but those appointments increasingly represent larger shareholdings.

Strategically, this means proxy volume alone may understate ASA's impact. A falling number of proxies may reflect broader retail disengagement, fewer companies monitored, changing investor behaviour or friction in the proxy appointment process. However, the rising average value per proxy indicates that ASA's governance analysis continues to attract shareholders with meaningful economic exposure.

3. Governance themes from ASA voting intentions

ASA Voting Trends: Insights from ASX300 Voting Intentions

Analysis of **162 ASA Voting Intention (VI) reports** covering ASX300 companies demonstrates that ASA continues to play an active governance role where company practices fall short of its published voting guidelines.

Key findings include:

- **162** Voting Intention reports analysed.
- **62 companies (38%)** received at least one **AGAINST** recommendation.
- **100 companies (62%)** received no **AGAINST** recommendations.
- **123 AGAINST** voting recommendations were issued across the companies reviewed.
- These recommendations were supported by **167 direct guideline breaches**, indicating that many resolutions failed multiple governance tests.

Remuneration remains the dominant governance concern

Executive remuneration accounted for approximately **82% of all direct guideline breaches (137 of 167)**, confirming that remuneration remains the principal driver of shareholder concern.

The most common issues were:

Governance issue	AGAINST votes	Companies
No option-based incentives	24	18
Long-term incentive (LTI) vesting period	13	8
Pay-performance alignment	12	9
Short-term incentive (STI) performance metrics	11	9
LTI performance targets	10	6
Face-value equity grants	10	6

These findings closely align with international proxy voting research, which identifies executive remuneration as the strongest predictor of broader shareholder dissatisfaction.

Director accountability remains important

Director-related governance concerns accounted for **28 direct guideline breaches**, with the most common issues involving:

- Director independence and conflicts of interest (**10 AGAINST** recommendations).
- Director performance or conduct (**9**).
- Board contribution (**5**).
- Director workload or overboarding (**3**).
- Shareholder alignment (**1**).

These findings demonstrate that ASA's governance focus extends beyond remuneration to board effectiveness, independence and director accountability.

4. Strategic implications for ASA

The analysis highlights that ASA's voting activity is concentrated on a relatively small number of governance themes, particularly executive remuneration and director accountability. The proxy giving data adds an important strategic layer: while formal proxy appointments have declined, the value represented by each proxy has increased. This suggests ASA's influence should be assessed through both reach and depth, not proxy count alone.

As voting increasingly occurs through broker apps, registries, investment platforms, managed funds and digital shareholder communications, ASA has an opportunity to make its governance expertise available where investors already make decisions.

5. From proxy collection to broader influence

The evidence suggests ASA is confronting a structural rather than operational challenge.

Proxy voting has become simpler, yet participation continues to decline. This indicates the problem is not the mechanics of voting but the perceived value of participating.

If retail investors no longer see voting as relevant, increasing proxy appointments alone is unlikely to reverse the trend.

The strategic question is whether ASA should continue to define success primarily through proxy representation, or reposition itself as Australia's leading provider of independent governance insight and voting guidance.

Under this model, proxy appointments remain important, but they become one measure of influence rather than the sole objective.

The long-term proxy giving trend supports this shift. ASA should continue to grow proxy appointments where practical, but should avoid treating proxy count as the sole indicator of relevance. A stronger strategy would measure influence through both depth and reach: the value represented by proxies, the number of investors using ASA guidance, engagement with voting research, platform or broker distribution, and measurable governance/voting outcomes achieved through ASA's recommendations and advocacy.

6. Strategic questions for the Board Strategy Days

1. Are we solving the right problem?

If retail shareholder participation continues to decline despite easier digital voting, is our challenge increasing proxy appointments — or rebuilding the perceived value of shareholder voting itself?

2. What if proxy appointments continue to fall?

If proxy volumes continue to decline over the next decade, should ASA distinguish between proxy count, proxy value and broader influence when assessing impact?

3. Is proxy representation our product — or our outcome?

Should ASA focus less on asking shareholders to appoint it as proxy and more on becoming the trusted source of governance advice that investors choose to follow regardless of who submits their vote?

4. Where can ASA create the greatest leverage?

Which of these creates the greatest long-term influence and benefit for members?

- governance research;
- digital voting guidance;
- education;
- partnerships with brokers and investment platforms;
- policy advocacy; or
- technology?

5. What role should technology play?

If voting increasingly occurs inside broker apps, registries and investment platforms, should ASA build its own digital capability or embed its governance expertise into existing ecosystems?

6. What should success look like in five years?

Should ASA measure success through a broader influence scorecard that includes:

- value of proxies represented;
- proxy appointments;
- average value per proxy;
- members;
- investors using ASA voting guidance;
- governance outcomes achieved;
- policy influence; or
- partnerships?

Or should ASA adopt an entirely different scorecard?

7. If ASA were created today, would proxy collection still be its core strategy?

Or would it build an organisation focused on becoming Australia's independent governance authority, with recommendations flowing directly into the platforms where investors already make decisions?

8. What is ASA's competitive advantage?

Many organisations can process proxy forms.

Very few can produce credible, independent governance analysis.

Should ASA concentrate on the capability that is hardest to replicate?

9. How does ASA stay relevant to the next generation?

Investors increasingly own companies through ETFs, managed funds and digital investment platforms.

If they never complete a traditional proxy form, how does ASA remain part of their governance journey?

10. What should ASA stop doing?

If resources are limited, which existing activities generate the least strategic value and should be reduced or discontinued to fund future growth?

7. ASA Governance Intelligence proposal

The proposed response is to transform company monitoring from a primarily internal and event-driven volunteer activity into a scalable, sustainable and member-facing retail investor intelligence product.

The central strategic question is: **How can ASA convert its company monitoring capability into practical, trusted and commercially sustainable intelligence that helps retail investors understand the companies they own or are considering buying?**

The opportunity should be assessed as both a member-value initiative and a diversified revenue opportunity. Member access could strengthen ASA's existing membership proposition by giving members practical governance insights as part of the value of belonging to ASA, while recurring revenue may be more realistically driven by institutional clients, platforms and partners that value independent retail-shareholder governance intelligence at scale.

Any model must protect ASA's independence and credibility. Commercial arrangements should not compromise ASA's advocacy positions, voting guidelines, company engagement, governance analysis or willingness to take positions that may be uncomfortable for listed companies, market participants or commercial partners.

8. Strategic rationale and product concept

ASA already has a differentiated asset: independent, volunteer-led governance analysis of listed companies from the perspective of retail shareholders. However, the current model is largely document-based and event-driven, with monitoring outputs generally presented through voting intention reports, AGM reports and website content.

The strategic opportunity is to move from static reports to practical investor decision tools. Under the current model, company monitoring flows from monitor analysis to voting intention report to AGM report, which a member may or may not read. This is valuable but low scale and does not create a clear recurring revenue model.

Under the proposed future model, ASA would convert monitoring data into simplified insights, personalised relevance and ongoing engagement. The value proposition would be clear: *members and subscribers would return to ASA because it helps them understand how well their companies, or potential companies, are being governed and what matters when voting or engaging as shareholders.*

Proposed product: Governance Dashboard

The proposed product is a searchable Governance Dashboard that presents ASA's company monitoring insights in a consistent, accessible and comparable format. Rather than publishing analysis only through PDF reports, ASA would provide users with a company profile that answers a simple question: **How well are the companies I own being governed, and what should I consider as a shareholder?**

Potential institutional audiences could include superannuation funds, fund managers, proxy advisers, investment platforms, brokers, financial education providers, wealth platforms, research houses and governance or stewardship teams seeking an independent retail-shareholder perspective. These audiences may value ASA's company monitoring because it is grounded in practical shareholder engagement, voting analysis and long-term governance considerations rather than purely financial or sell-side research.

For institutional clients, the value proposition may be strongest where ASA can provide structured data, thematic governance insights, voting-history analysis, retail investor sentiment indicators, monitor observations and education-ready content that can be used to inform stewardship, client engagement, platform education or governance research. This suggests that member access and institutional licensing need not be competing models: member access could deepen loyalty and engagement, while institutional licensing and platform partnerships could carry more of the revenue burden.

Illustrative company profile

Commonwealth Bank of Australia (ASX:CBA): Illustrative governance profile

Governance factor	Illustrative assessment
Board quality	Strong — ★★★★★
Executive pay alignment	Weak — ★★☆☆☆
Shareholder alignment	Moderate — ★★★☆☆

Illustrative ASA voting history

- 2025 Remuneration Report: AGAINST
- 2025 Director Election: FOR

- 2024 Capital Resolution: AGAINST

Illustrative explanatory note

ASA opposed the remuneration report because the incentive structure did not, in ASA's assessment, sufficiently link executive rewards to long-term shareholder outcomes.

9. Operating model, scope and safeguards

A possible structure for managing commercial activity while preserving ASA's charitable and advocacy purpose would be for ASA to own or control a separate commercial subsidiary.

Indicative structure:

ASA (the charitable entity) owns or controls → ASA Governance Intelligence Pty Ltd (the commercial subsidiary).

This structure may support clearer risk separation, commercial partnerships, licensing arrangements and technology investment, while limiting direct exposure to ASA's core independent entity.

- clearer risk separation;
- commercial partnerships;
- licensing arrangements;
- technology investment.
- limited direct exposure for ASA's core entity.

The charity remains focused on:

- shareholder advocacy;
- education;
- representation.

The commercial subsidiary would be responsible for subscriptions, technology operations, licensing and partnerships, subject to appropriate strategic oversight, governance protocols, legal advice and safeguards to protect ASA's independence.

- subscriptions;
- technology;
- licensing;
- partnerships.

Scope and safeguards

The platform should be clearly positioned as governance analysis and shareholder voting information, not financial advice or investment recommendations. This distinction would need to be embedded in product design, marketing, user terms, disclaimers, training and quality assurance.

Indicative disclaimer: “ASA Governance Intelligence provides independent governance analysis and shareholder voting information. It does not provide personal financial advice, investment recommendations or recommendations to buy, sell or hold securities. Investors should consider their own circumstances and seek professional advice where appropriate.”

Protecting ASA’s independence should be treated as a core design principle rather than a later compliance exercise. Revenue models should be assessed against clear conflict-management rules, editorial independence protocols, transparent methodology, separation between commercial relationships and governance analysis, and Board-level oversight of any arrangements that could affect ASA’s reputation or advocacy voice.

10. Key risks and mitigations

Risk	Mitigation
Financial advice risk	Clear product boundaries, legal review, disclaimers, training and quality assurance.
Reputational risk	Strong governance, transparent methodology, conflict-management protocols and appropriate strategic oversight of commercial activity to protect ASA’s independence and reputation.
Volunteer capacity risk	Standardised research templates, data capture workflows and staged implementation.
Technology delivery risk	Begin with a minimum viable product, test with members and scale only after validation.
Commercial adoption risk	Validate willingness to pay through pilots, member testing and partnership discussions.

11. Implementation roadmap

1. Develop a detailed business case, including resourcing, technology requirements, cost assumptions, governance, structure, legal advice and commercial viability.
2. Design a minimum viable Governance Dashboard using a small pilot group of companies.

3. Test the product with members, monitors and selected external stakeholders.
4. Refine the methodology, pricing and governance model based on feedback.
5. Return for consideration at the Board Strategy Days with an investment proposal, implementation budget and go/no-go decision.

12. Recommendation for Board Strategy Days

The Board Strategy Days are asked to endorse further investigation of the ASA Governance Intelligence concept and support preparation of a detailed business case for consideration at a future strategy or decision-making forum. If supported, that business case should test the concept in detail, including resourcing, technology, costs, governance, structure, independence safeguards, member access, institutional demand, pricing and commercial viability.

A financial model can be provided alongside the business case, with scenarios showing conservative, base-case and higher-adoption assumptions so the Board can assess the scale of opportunity, key sensitivities and investment implications before any go/no-go decision.