

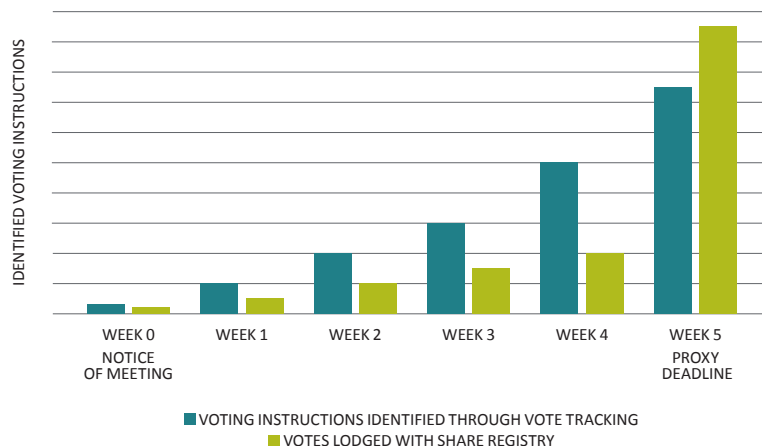
VOTE TRACKING

“With the rising wave of activism and increasing influence from passive investors, the threat of a negative shareholder vote (particularly relating to the Remuneration Report) has never been higher.”

Many institutional investors submit voting instructions to their immediate custodian(s) well before the proxy deadline, just like retail shareholders. However, rather than being immediately lodged with the Share Registry, these instructions are collected and held by the registered custodians – HSBC Custody, JPMorgan, National Nominees, BNP Paribas etc. – and are only submitted directly prior to the proxy voting cutoff, ensuring the custodians need make only one submission. Because these votes are submitted in bulk, it can be impossible to retrospectively identify how a particular underlying institution or beneficial owner has voted.

Vote Tracking leverages First Advisers’ AccessIR Platform (used for register analysis) to provide visibility on voting instructions as they are given to the custodians. This is extremely valuable intelligence as it provides an opportunity to rectify errors or confirm a voting instruction that is inconsistent with an institutions advice to the company. The outcome is more clarity around ‘submitted’ votes than what is available via the Share Register. For a company, utilising this information could be the difference between a routine AGM or a Strike, particularly in an age of increasing activism and influence from passive investors.

IDENTIFICATION OF VOTING INSTRUCTIONS GIVEN BY VOTE TRACKING VERSUS LODGED WITH COMPANY’S SHARE REGISTRY



VOTE TRACKING

The benefits of Vote Tracking

- Identify negative voting instructions in time for action
 - Understand how institutions or beneficial owners will vote
 - Develop appropriate communication strategies
 - Minimise procedural errors
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Why Vote Tracking?

The damage created by an unexpected negative vote on a Resolution can spell disaster. A company monitoring its institutional proxy votes has the intelligence and forewarning of a negative vote and therefore has a number of possible actions it can take to limit the damage of this outcome. Acting early to try and reverse an investors decision or correct a procedural error can often be enough to get a close Resolution over the line. In the event the Resolution is lost, a well-informed management team has the opportunity to plan the appropriate communications strategy in response to this outcome.

Vote Tracking can be used prior to AGM's, EGM's and Schemes of Arrangement.

Why FIRST Advisers?

FIRST has more than 15 years' experience providing wide-ranging Shareholder Analytics support to listed companies. We have an in-depth understanding of share register structure, allowing us to accurately identify which beneficial owners (and associated funds) have lodged voting instructions. We utilise our state of the art platform, AccessIR, to produce regular summary reports that are simple and informative.

FIRST's unique integrated model ensures our clients have direct access to senior IR professionals to provide market communications support, if needed, as well as an experienced and dedicated in-house Shareholder Engagement team.

How to find out more

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