chapman tripp

Corporate Governance

Trends & insights

DECEMBER 2025

Contents

Method of analysis

Chapman Tripp analysed the board composition of the NZX Main Board Top 75, as recorded in the public register maintained by the New Zealand Companies Office at 31 March 2025. We also reviewed the NZX portals for the Top 75 and certain NZX announcements made by them. Our sample comprises the Top 75 entities by market capitalisation at the close of trading on 31 March 2025. For the purposes of preparing the data set, we have excluded overseas companies and listed funds. Every effort has been made to ensure the accuracy of this publication, but the information is necessarily generalised and readers should seek specific advice rather than relying solely on the text.

A few observations upfront

Chapman Tripp began to collate board metrics for the Top 75 NZX-listed issuers in 2016 because we recognised that the quality of governance in our largest public companies would be an important factor in improving the country's economic performance.

This is the sixth publication in our Governance Trends & Insights series. Our findings have not been in a straight line, as there has been volatility up and down from year to year, but several trends have emerged.

Key among these, and particularly evident this year, is a rise in shareholder activism. There is a tendency to present this as an aberration, but shareholder rights are an essential design element in any publicly owned equities market, and we expect the activist growth trajectory to gather speed over the next 10 to 15 years.

Contributing factors include:

- larger shareholders with deep pockets seeking to increase their stake and influence
- a continuing flow of small shareholders to the share market, and their ability to mobilise through Sharesies and the New Zealand Shareholders Association, and
- a complex mesh of challenges that businesses will have to negotiate - the AI revolution, environmental, economic and regulatory impacts of climate change, the changing geopolitical environment and what to expect as developed economies, including New Zealand, confront stubborn fiscal constraints and the social pressures they will generate.

Reform of the governance statutory framework is very much on the agenda for 2026. We expect that the Law Commission will advance in earnest its review of directors' duties given that the final report is due in 2027, and the modernisation, simplification and digitisation changes to the Companies Act, including the long-awaited director role-holder identification number, will be introduced to, and progressed through the House.

We hope that directors will take full advantage of these reform opportunities to ensure the best outcomes possible.

The main shifts in board composition over the nine years we have measured are:

- an increased representation of women – the proportion of women directors among the Top 75 as at 31 March 2025 was 34.5%, up from 29.4% in 2017 and 23.5% in 2015. Women also comprised 25% of board chairs (up from six, or 8%, in the Top 75 in 2017)
- a heavier preponderance of independent directors – from 68% in 2017 to 78% now.

But the world in which boards operate has become more difficult and the law has struggled to keep up. Obvious examples of this are the emergence of social media and the intrusion of privacy that it allows, and the pendulum swing away from prescription and toward simplicity.

The ASX is currently wrestling with some of these issues in the update of its 2019 Corporate Governance Principles and Recommendations. As the ASX review project is now entering its fourth year, we expect it to come to some form of conclusion in 2026.

It would be good if the NZX was inspired to assess whether its own approach is still fit for purpose – particularly for smaller companies given the comparatively large role they have in New Zealand's small economy.

Shareholder activism – a means to an end

Shareholder activism, now on the rise globally and in New Zealand, is sometimes presented as a form of dysfunction, and it can be misdirected or used inappropriately. But it can also be an effective instrument against perceived poor performance in company governance, business strategy or financial management and it is not of itself dysfunctional.

On the contrary, it is an essential design element in any publicly owned equities market. Which is why shareholder rights are so amply provided for in legislation, in New Zealand's case: the Companies Act 1993, the Financial Markets Conduct Act 2013, the accompanying Financial Markets Conduct Regulations 2014, the Takeovers Code. And, for listed companies, the NZX Listing Rules made by NZX Limited, with oversight from the Financial Markets Authority (FMA).

We expect the activism growth trajectory to gather further speed over the next 10 to 15 years as shareholders become more comfortable with the concept, and given the complex mesh of issues that businesses will have to negotiate.

These include: the AI revolution, making best use of the technology and avoiding its risks; climate change, how best to manage the weather effects and the rising costs of insurance, how to meet any climate-related disclosure requirements, how to mitigate the risk of legal challenge from environmental activists; the geopolitical environment, preparing against the rising tide of protectionism and economic nationalism, what to expect as developed economies, including New Zealand, confront stubborn fiscal constraints and the social pressures they will generate.

Shareholder activist campaigns, despite working within the same legislative, regulatory and institutional frameworks, all have their own unique features and will require different responses and respond to different stimuli. We provide four examples, all from the last two years.

NZME

Even in the hyper-engaged world of shareholder activism, Jim Grenon's tenacity and commitment stand out.

Mr Grenon notified NZME on 6 March that he would be pushing for a clean sweep of the NZME board at the Annual Shareholders Meeting (ASM) scheduled for 29 April, proposing to replace the existing directors with four Grenon nominees, with himself at the top of the list.

The Listing Rules require that the closing date for new director nominations is no earlier than two months before the intended date of the ASM, with at least 10 business days' notice.

Mr Grenon surprised the board with his nominations part way through the nomination period. One of the board's responses was to buy more time by delaying the ASM and reopening the nomination period.

Recent rule changes will require notices of meeting to disclose who nominated a director and additional information on whether a director will qualify as an "independent director".

He said he'd already discussed the proposal in confidence with some of the company's largest shareholders (representing a combined holding, including his own, of 37%) and they had indicated their support although not yet committed their vote.

He had developed a detailed critique of the company's and the board's performance to make the case for change, laid out in a 10-page Letter to Shareholders.

Meanwhile he was building his own shareholding, from below the 5% level requiring public disclosure to 9.321% on 28 February, then to around 10%.

After NZME postponed the ASM to 3 June, Grenon kept his challenge in play for more than a month, reaffirming his nominations when approached by the board on 6 May before finally withdrawing them on 9 May as part of a deal that would give him a seat on the board and make Steven Joyce chair.

In the event, only three board appointment resolutions were put to the ASM – one to appoint Steven Joyce as a director (and chair), one to re-elect Sussan Turner and one to elect Jim Grenon. All were passed by heavy majorities.

Mr Grenon has since lifted his shareholding to 18.46%.

PGG Wrightson

Alan Lai, founder of Singaporean company Agria Corporation, PGG Wrightson's largest shareholder by a wide margin, first sought to exert control in February 2024 when he requested a special meeting to have three independent directors (chair Garry Moore, Sarah Brown and Charlotte Severne) stood down and replaced by himself (preparatory to taking over the chair's role) and three nominees of his choice.

Mr Lai withdrew the challenge after being persuaded that the current board continued to have an appropriate balance of expertise, experience and skills. However, if there ever was a change of heart, it didn't last long, and he was back again in October this year – this time with friends.

Agria and second-largest shareholder, Australian company Elders, between them control around 56.8% of PGG Wrightson shares (Agria with a 44.33% stake and Elders with 12.47%), enabling them to execute a stunning ambush at the company's 2025 ASM – voting to not re-elect Moore and Brown, the board's chair and deputy chair.

The Listing Rules require at least two Independent Directors – who are not employees and without any "Disqualifying Relationship" (association, position, direct or indirect interest) that could reasonably influence or be perceived to influence a director's ability to act independently.

The purpose of this requirement is to provide additional confidence to shareholders that the board includes a sufficient number of members who are able bring an independent perspective to board decision making.

They provided no forewarning of their intention and no explanation for it. When the board wrote to them after the event "seeking clarification on the rationale and strategic intent" behind the move, Lai advised that their focus was on "driving improvement and enhancing shareholder value".

PGG Wrightson had quickly to reappoint former director John Nichol to satisfy the NZX listing rules regarding the number of independent directors. Mr Nichol has subsequently been appointed chair.

Rakon

Rakon was thrown into a succession crisis when Lorraine Witten, a director of the hi-tech electronic components company since 2017 and chair since 2022, announced her intention to stand down after the 2025 ASM.

The board's recommendation was that three recently appointed independent directors – Dr Mark Bregman, Dr Lisbeth Jacobs and John Raby – be confirmed at the ASM and that Dr Bergman become the next chair.

But Rakon acknowledged in the Notice of Meeting that it might not be plain sailing as Brent Robinson – a son of the founder Warren Robinson and a former CEO of the company – also wanted the chair's job.

Although it is boards that elect chairs, rather than shareholders, the board subcommittee managing the ASM director nominations process had nevertheless "carefully considered his candidacy" for chair and had unanimously determined not to support it. It did, however, think it appropriate that Mr Robinson remain on the board as a non-independent director.

The board was uncomfortably aware that Robinson and other associated family members held a collective 19.67% stake and were supported by the company's largest single shareholder, Siward Crystal Technology (represented by non-executive director Jung Meng Tseng), on 12.19%.

Lorraine Witten warned: "There is a risk that, if the votes of the shareholders associated with Brent Robinson and Jung Meng Tseng are sufficient to defeat the resolutions for election of Mark Bregman, Lisbeth Jacobs and Jon Raby, the company will be left with no Directors who have been determined to be independent. This would result in an immediate breach of the NZX Listing Rules".

But in the face of the Robinson-led challenge, Bergman, Jacobs and Raby withdrew their candidacies (Bergman, only on the day of the ASM), and Witten agreed to stay on until "a majority-independent board is restored". That was achieved with the appointment of Dr Peter Baines in August, followed by new independent directors Greg Barclay and Christopher Swarbrick in October, allowing Witten to announce her retirement on 12 November, effective 28 November, when she was replaced as chair by Robinson.

Ms Witten accepted that Robinson's promotion was out of step with the NZX Corporate Governance Code recommendation that an issuer should have an independent chair but said the company had "determined that Mr Robinson's extensive experience of the business and industry is important for the leadership of Rakon at this time".

Bremworth Carpets

Three dates tell the story of a coup to change the leadership of carpet company Bremworth Ltd.

- **1 March 2025:** the board receives, out of the blue, a letter from four shareholders representing an 11.5% stake requesting that a special meeting of shareholders be convened to consider five resolutions affecting board membership. This becomes public when the company announces it to the NZX on 3 March.
- **18 March 2025:** Bremworth informs the NZX that three existing directors have been replaced with immediate effect by four new independent directors Rob Hewett (now the chair), Julie Bohnenn, Murray Dyer and Trevor Burt.
- **9 May 2025:** Bremworth announces that it will be reintroducing synthetic carpets to its range. The reasons given are that it is in response to feedback from "major channel partners" and that it will allow better plant utilisation.

At the company's ASM on 12 November, Hewett explained that the wool only strategy had been unrealistic and out of touch with the market.

Under current law, when a board receives a request from a shareholder/shareholders holding more than 5% of a company's shares, the board "must" call a special shareholders meeting. Although the Companies Act 1993 doesn't specify a deadline, the Courts have held it should be within a "reasonable" timeframe, which the Courts have held could be three to four months.

The Companies Act overhaul, however, will include a requirement that the board **call** the meeting within 20 working days of the written request and **hold** the meeting within 20 working days of calling it.

The dynamics in the Bremworth example are different to Rakon in that Bremworth co-founder and Bremworth's single largest shareholder, Grant Beil, along with a number of other "substantial shareholders" spoken to by the Board, were stated as remaining loyal to the status quo.

Nonetheless there was sufficient shareholder support for the coup for the Bremworth board to seek to agree a truce.

The small shareholder

Each of the four examples above was initiated by major investors, although the NZSA also played a role in them all. NZSA's most aggressive intervention was with Rakon where NZSA submitted resolutions for consideration at the ASM to:

- establish a "minority investors voting regime" that would debar a controlling shareholder, or a group of shareholders acting in concert and representing more than 30% of the shares, from voting on the election or re-election of independent directors, and
- remove Robinson as a director noting the importance of preserving long term governance independence at Rakon, the absence of any rationale for change from a corporate performance perspective, and the lack of benefit to shareholders from Robinson's long tenure.

All the NZSA's proposals were overwhelmingly voted down with only around 12% of votes cast supporting them and 88% against. A recent NZSA LinkedIn post promoting the work it does and the value it offers its members highlighted the contribution it made to the Bremworth and NZME campaigns. We quote:

"**Bremworth Carpets:** We spotted common ground between shareholder groups and encouraged them to work together — helping drive a more united approach to resolving issues.

"**NZME:** We highlighted the need for independent, skilled, and transparent boards — because good governance leads to better long-term results for shareholders".

What might happen next?

If Sharesies continues to grow at the current rate – from a standing start in 2017, it now has more than 860,000 investors across Australasia – it will become more of a presence on the NZX and will also strengthen the arm of the NZSA.

Given the influence of KiwiSaver in connecting younger people to the sharemarket and the diminishing attractiveness of property as an investment option (high entry costs, potential capital gains tax risk), it is possible to imagine a scenario in which smaller shareholders, spearheaded by the NZSA and Sharesies, will be able to exercise more clout in optimising the value of their shares.

Disclosures

Chapman Tripp advised Jim Grenon on his NZME board spill proposals, and the board of PGG Wrightson on the February 2024 meeting requisitions, and implications of the October 2025 votes not to re-elect two of the independent directors. We are also acting for Mohawk Industries Inc on its current scheme of arrangement to take over Bremworth.

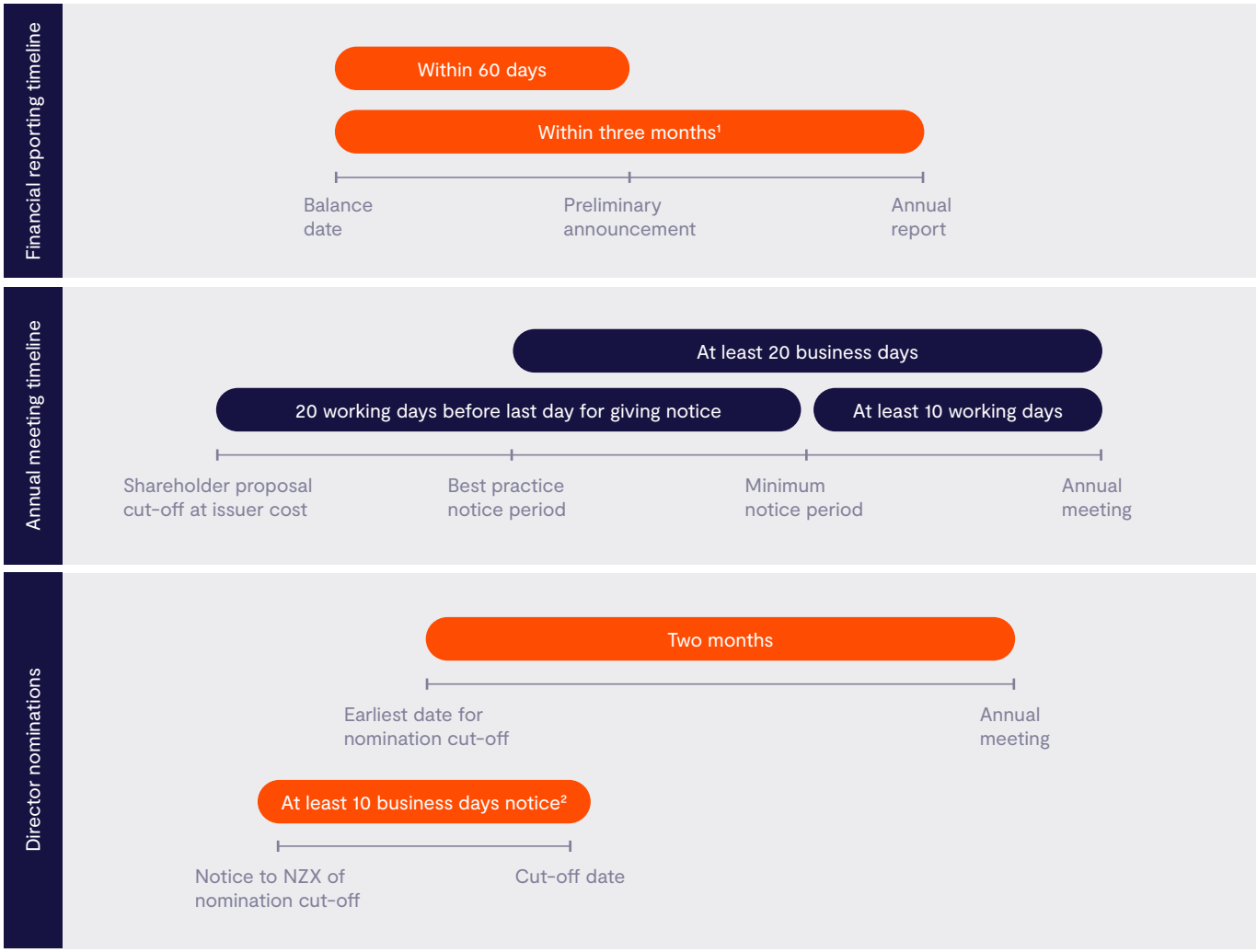
Shareholder activism – Timeline and tips

Director requirements

- At least three directors
- At least two ordinarily resident in NZ
- At least two independent directors
- On three year terms (but eligible for re-election)
- Exception for shareholder appointment rights (where constitutions provide for that) proportionate to shareholding (e.g. 20% on a board of five entitles one director)

"Rules of engagement" between shareholders

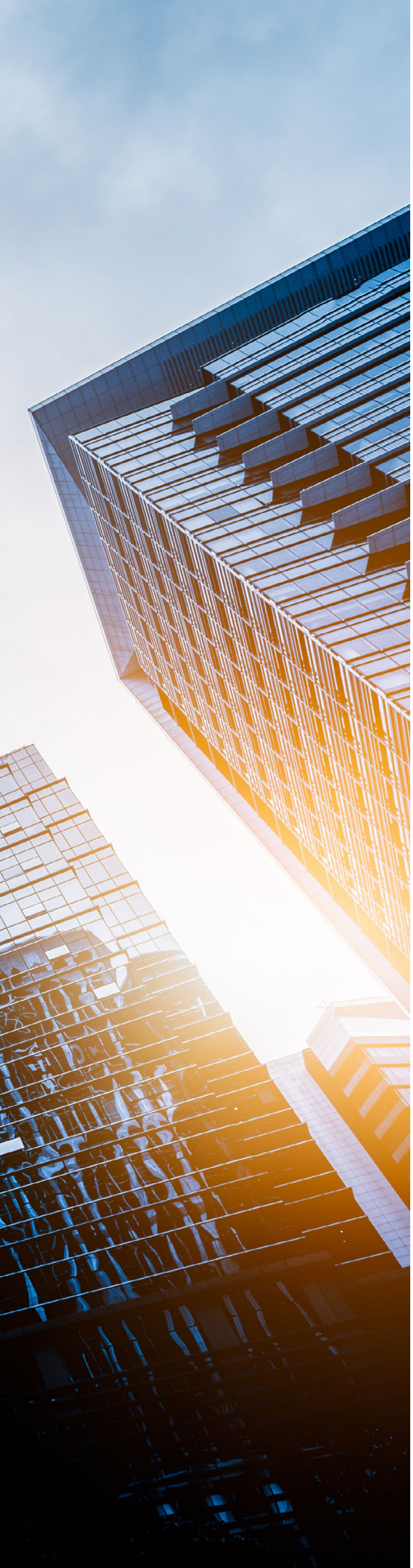
- Hold discussions in confidence
- Do not commit to any particular course of action as a group. Any indication of approach should reserve your right to change position
- Do not trade or tip if you have any inside information (including others' intentions)



Key timeframes

- ASM – within six months of balance date
- Notice of meeting – either 10 working days prior (legal minimum) or 20 business days prior (NZX recommendation)
- Nomination cut-off – not earlier than two months prior to ASM
- Nomination notice – at least 10 business days

1. Many of the larger companies choose to release their annual reports with the preliminary announcement.
2. Although a minimum of 10 business days notice of the director nomination is cut-off required, most issuers give more notice.



Governance regime change

The two big governance policy events on the immediate horizon are the Law Commission review of directors' duties and the Companies Act modernisation, simplification and digitalisation rewrite, but there are other changes also in prospect.

Law Commission review

The terms of reference for the Law Commission directors' duties review, now in its early stages, provide for two limbs of inquiry:

- the core duties of directors under the Companies Act 1993, including liability for breach of those duties and issues of enforcement, and
- the wide range of provisions in other statutes that impose personal liability on directors.

The review is being led by Commissioner Geof Shirtcliffe (a former Chapman Tripp partner) and is scheduled to complete its final report with recommendations to Government before the end of 2027. He sees his brief as being to explore "whether, and if so how, future legislation can assign duties and liabilities on directors in a more consistent and principled manner".

Companies Act rewrite

The Government is expected to introduce an amendment Bill proposing a comprehensive rewrite of the Companies Act early next year which will, among many other things, introduce the much-anticipated director role-holder identification number, an idea that has been knocking around since 2017 implementation of which is well overdue.

This change will allow directors to specify an address that is not their usual residential address without having to meet any criterion for that privacy to be afforded them.

But the supporting IT for the new regime will take some time to perfect, meaning that it could be late 2026 or 2027 before it becomes available. There will also be a transitional period before directors must have applied for a role-holder number.

Until then, stop gap relief is available from the ability created by Deborah Russell's recently passed Companies (Address Information) Amendment Act to use an alternative address where publication of the home address would be likely to result in physical or mental harm to the director or to persons living with the director.

Accessing this will require a statutory declaration. This is unnecessarily bureaucratic in our view, but the select committee has sought to reduce the complexity by providing that a template form be specified in regulations and by stating that the threshold for demonstration of harm will be low.

The corporate role-holder identifier is still, however, the much better solution as it will have the advantages of automatic access, simplicity and universality.

Change to employment law

The Government plans to legislate to specify that day-to-day health and safety management will be the responsibility of managers, leaving directors free to focus on governance and strategic oversight.

Workplace Relations and Safety Minister Brooke van Velden announced the intention on 2 April this year but the detail is still being finessed so the policy decision has yet to appear in the Amendment Bill form.

The change was sought by the Institute of Directors following the conviction earlier this year of former Chief Executive of Port of Auckland Limited (POAL) Tony Gibson for failing to exercise his due diligence obligations under the Health and Safety at Work Act 2015. Mr Gibson is appealing the judgment.

POAL had already pleaded guilty and been convicted of two charges:

- failure to ensure the protection of workers so far as is reasonably practicable, in particular by directing Mr Kalati to work within proximity to a crane, and
- systemic failures in providing and maintaining a safe system of work, and failures of appropriate training, supervision and risk assessment.

Considerations the Court identified as relevant to its finding of guilt against Mr Gibson were that:

- Mr Gibson was "on notice of POAL's on-going difficulties in adequately monitoring work as done and of the need for improvement of the monitoring of the night shift", as well as POAL's lack of timely response to health and safety recommendations
- Mr Gibson was aware of the shortfalls in POAL's management of exclusion zones and should have used his position and influence to ensure that POAL utilised appropriate resources and processes to address those shortfalls
- Mr Gibson was "hands on" in relation to health and safety issues and was tasked with a number of key health and safety responsibilities, and
- had Mr Gibson exercised due diligence, POAL would have had a system in place to provide management with insights into actual work practices, identify non-compliance, and prompt a review of safety controls and documentation.

So, in the Court's view, Mr Gibson was directly engaged day-to-day in H&S matters to an unusual degree for a director and, arguably, even for an executive director in a dangerous industry.

NZX Corporate Governance Code refocuses independence rules in a 'control transaction'

The NZX Corporate Governance Code now recommends that the members of a Board Committee created to deal with a takeover offer (now referred to as a 'control transaction'), should not be:

(a) involved, or otherwise associated (including as an associated person), with a bidder

(b) an associated person of a shareholder who is involved with, or otherwise associated with, a bidder, and

(c) should be able to bring an independent view to decisions in relation to the control transaction.

The previous NZX Corporate Governance Code recommendation was simply that the committee should comprise independent directors. The change responds to market feedback that in the context of control transactions, it is more important that the committee members are independent of the bidder, as opposed to being independent according to the usual Code factors. By referring to control transactions, rather than takeover offers, the updates to this recommendation now mean that an issuer's protocols relating to control transactions should also cover schemes of arrangements, rather than being limited to takeover offers.

The Top 75 – board analysis

This is sixth published edition of Chapman Tripp's Top 75 data series that we have measured since 2016. Results are at 31 March 2025. Our comparison base is 2022, when we last published our analysis.

Overview

The Top 75 by market capitalisation ranged from Fisher & Paykel Healthcare at $19.65b to Pacific Edge at $106m – a much greater spread than in 2022, when the range was $14b to $177m.

Hallenstein Glasson, at almost 75 years, is the longest Top 75 listing by NZX or predecessor exchanges. Winton Land, which listed in 2021, remains the newest, reflecting the dearth in recent large listings.

The average time since first listing on NZX is 25 years (2022:21.8).

Independence

78.7% of boards had a majority of independent directors, with 17.3% having only independents (against 77.3% and 20.0% in 2022).

77.3% of boards also had an independent chair (2022:77.3%) and 24.6% had the CEO on the board (2022:32.9%).

Length of service

The average length of service across the Top 75 increased slightly to 6.5 years (2022:6). The longest average tenure was 17.3 years and was held by the same company as in 2022, when it was 19.3 years.

Multiple board roles

Multiple directorships remain comparatively rare among the Top 75. No director had five roles (ditto 2022), two directors had four roles (2022:3), 11 directors had three (2022:15), and 37 directors had two (2022:44).

The Top 75 had 472 directors altogether (2022:492).

Gender diversity

17 of the Top 75 board chairs, or 25.0%, were women (2022:16 and 21.3%), as were four CEOs (6.8%) (2022:6), and 13 CFOs (22.4%) (2022:10, 14.1%).

34.5% of directors overall were female, up from 30.7% in March 2022.

Our analysis continues to show that the top 25 of the Top 75 are leading the way on gender diversity over the middle 25 or bottom 25.

Average board size

6.29

Directors

Down slightly from 6.51 in 2022

Board chairs

25%

Women

Up from 21.3% in 2022

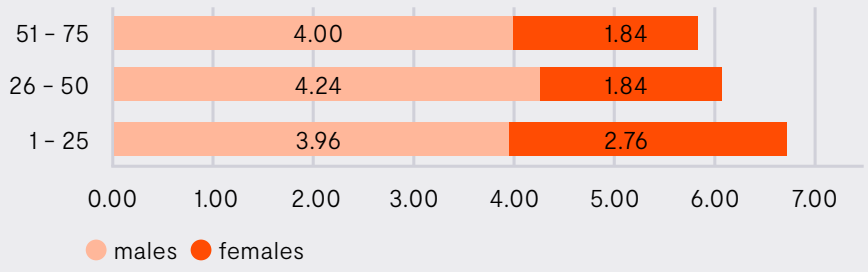
Average length of service

6.5

Years

Up from 6.0% in 2022

Director gender by NZX Market capitalisation ranking



Limited liability – the boundaries

Limited liability – the principle that every company is a distinct legal entity separate to its shareholders – is an important thread in the common law's commercial fabric.

Corporate groups routinely ringfence into specific entities key assets like intellectual property, property or capital in order to protect them from creditor claims and solvency risk and/or to establish special purpose vehicles to complete significant projects or acquisitions.

But the courts have put limitations around the general rule of limited liability with the result that the parent company can be held liable for the actions of a subsidiary - and directors need to be aware of when these circumstances arise in order properly to manage risk within a corporate group.

We outline three examples. They share a common theme in that the test the Court poses in each case is which entity actually undertook the conduct complained about. Did the parent company authorise, approve or enable the conduct? Was the parent company actually undertaking the conduct itself? Should the parent company have known about the conduct, and stopped it?

Pooling orders

If a company is placed into liquidation, a creditor may apply for a "pooling" order under s 271(1)(a) of the Companies Act to require a related company to "pay to the liquidator the whole or part of any or all of the claims made in the liquidation".

The Court will make such an order if it is "just and equitable" to do so, with regard to the factors outlined at s 272(1):

- the extent to which the parent company took part in the management of the company in liquidation
- the conduct of the related company toward the creditors in liquidation
- the extent to which the circumstances that gave rise to the liquidation are attributable to the actions of the related company, and
- other matters "as the Court thinks fit".

The only pooling order made in New Zealand to date is in *Lewis Holdings v Steel & Tube Holdings Ltd* where the Court found the insolvent subsidiary was operated as if it were a division and a "puppet" of its parent – which had brought about the subsidiary's liquidation by withdrawing its financial support.

The Court acknowledged it is common practice for a parent company to be involved in subsidiary management but found that in this case, the parent's involvement was of such magnitude that the subsidiary could not sensibly be viewed as independent or with any capacity to manage its own affairs.

Duty of care

In recent years, courts have expanded the circumstances in which a parent company (or other group company) may be liable for subsidiary negligence.

The leading New Zealand case is *James Hardie Plc v White*, a Court of Appeal decision in which the Court refused to strike out a negligence class action against the Irish-domiciled dual-listed James Hardie group parent company. This was despite the fact the claim concerned a product developed in New Zealand by the group's New Zealand-based subsidiary, and released to market only in New Zealand, some 16 years before the parent company came into existence.

The Court identified three circumstances when a parent company may be liable in tort for the conduct of a subsidiary:

- the shareholder takes over the running of part of the company's business
- the shareholder has superior knowledge of the relevant aspect of the company's business, the company relied on that knowledge, and the shareholder knew or ought to have foreseen the alleged deficiency, and
- the shareholder takes responsibility (irrespective of superior knowledge) for the policy or advice to the company related to the wrongful act/omission.

Misrepresentation

Allegations of "misrepresentation" may be brought against a parent on the basis that a subsidiary's allegedly misleading or deceptive conduct is legally attributable to the parent company. Such claims are increasingly common. A court will consider:

- whether the parent made or authorised the representation - for example, what "hat" an employee was wearing when the representation was made, and
- whether the parent endorsed the representation - for example, by permitting the parent company logo or name to be used in connection with the misrepresentation.

Take-outs

For directors, the key take out is to balance a group strategy with the need to treat all group members as separate and distinct companies – particularly when transacting with or engaging with customers and other stakeholders.

This means ensuring that:

- you have governance and management processes that recognise the separate nature of each group company while following a group strategy. For example, subsidiary directorships are not "box ticking" exercises: the position of the specific company must be considered and protected
- any engagement with any third parties is on a clear and certain basis as to which entity those third parties are dealing with, and
- your internal group arrangements – for example group services agreements or licencing arrangements – are on appropriate terms.

The Boardroom Table – monitoring the monitors

Australasian data analytics consultancy Datamine has created a new product – The Boardroom Table – to measure and monitor the performance of New Zealand directors. It is a subscriber service with free access. Reports are produced monthly.

Currently 79 directors are included. To qualify, a director must hold two or more current listed company directorships or one current and one within the previous 12 months.

The information is collated from more than 200 sources and includes: key company metrics (revenue, market capitalisation, EBITDA, shareholder revenues, cash flow) and softer more reputational factors like media perception, customer and employee sentiment and market and analyst sentiment.

The most recent Boardroom Table 'top five' are:

1	**Pip Greenwood**	Fisher & Paykel Healthcare, The A2 Milk Company	–
2	**Tony Batterton**	Briscoes, Scales	▲1
3	**John Strowger**	Sanford, Skellerup	▼1
4	**Mark Verbiest**	Meridian Energy, Summerset	–
5	**Alison Gerry**	Air New Zealand, Infratil	–

NZSA has also recently launched a director network map "allowing users to see who is who in the listed zoo".

ASX waking from woke?

The slow-motion saga that has become ASX's attempt to update its Corporate Governance Principles and Recommendations so that the 4th edition, published in February 2019, can finally be put out to pasture must surely come to some sort of conclusion next year.

After all, the 19-member council initially charged with the task was more than two and a half years into the project when it was disbanded in February 2025 – almost a year ago – in favour of a slimmed down Corporate Advisory Group chaired by Philip Lowe, a former governor of the Reserve Bank of Australia.

The council's disbandment followed the failure of its recommendation that directors be required to make personal disclosures relating to diversity, which was widely perceived as too "woke".

Although progress post-council has continued to be glacial, there is a developing consensus that the updated model must be more user-friendly.

- The Australian Securities and Investment Commission, for example, stated in a November report[1] that future editions of the principles should be "shorter and less prescriptive".
- And John Wylie, in an op-ed for the AFR, commented that the existing guidelines were four times longer than the UK Corporate Governance Code, encouraged "a mindset of risk aversion in boardrooms" and "cannot be edited to greatness, we need to start again".[2]

As the cost-of-living crisis and global tensions continue to put businesses under pressure, the pendulum is moving away from prescription and toward simplicity.

If ASX recognises the need to respond to this new environment, in our view NZX should consider whether its own settings are still appropriate.

In particular, we think NZX should ask whether its current approach is fit for purpose for smaller high-growth companies in what remains a small company economy.

1. Australian Securities and Investment Commission, Advancing Australia's evolving capital markets: response paper 5 November 2025
2. Australian Financial Review, 19 February 2025

Shareholder participation

When we commenced our analysis of the Top 75 in 2017, 'hybrid' shareholder meetings were rare, and 'virtual only' shareholder meetings unheard of. The hybrid meeting is now the prevalent format.

NZSA continues to operate a Standing Proxy service to cast votes on behalf of both members and non-members alike on shareholder resolutions. It provided proxy-voting-instructions for all of the top 75 and is increasingly covering ASX-listed companies with a New Zealand connection.

Meeting types held

59 Hybrid

6 Virtual

6 In-person

Shareholder attendance and participation

Actual shareholder attendance at annual and special meetings remains extremely low, notwithstanding the introduction of more virtual and hybrid style meeting formats.

As we predicted in 2022, introduction of directed proxy voting by Sharesies for all of the top 75 and other NZX listed issuers has resulted in some pick-up in shareholder participation by retail investors.

Total votes cast at the most recent annual meetings held by the top 75 ranged from a low of 7.5% at Livestock Improvement Corporation to 95.1% at T&G Global (not surprising as 93.9% of the shares on issue are held by two shareholders).

84.0% of the Top 75 (82.6% in 2022) provided 20 working days' notice (on average)

Notices of meeting

The NZX Corporate Governance Code recommends that an issuer ensure its notices of meeting are "posted on the issuer's website as soon as possible and at least 20 working dates prior to the meeting".

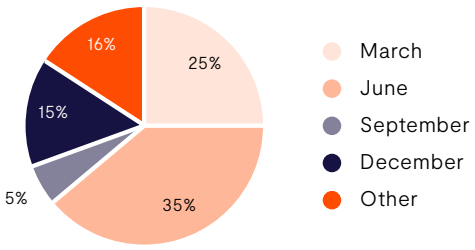
The Companies Act requires that notice be sent to every shareholder entitled to receive it not less than 10 working days before the meeting.

Time to prepare annual report and to hold annual meeting

The NZX Listing Rules allow listed issuers three months after their balance date to provide their annual report. In practice, most larger issuers produce their annual reports within 45 to 60 days of balance date, a significantly shorter timeframe.

Top 75 most prevalent year end balance dates:

Under the Companies Act 1993, companies have six months after their balance date to hold their annual meeting. Again, in practice, most of the larger issuers hold their annual meeting much more promptly.



Average days after balance date to:

	release preliminary financial results	publish annual report	publish climate statements	hold annual meeting
1-25	55	58	73	118
26-50	53	64	76	125
51-75	53	69	90	128
1-75	54	64	80	124
Maximum permitted period	60 days	3 months	4 months	6 months

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