

Survey on E-services of Shareholder Meeting

Investor Services Task Force

Taiwan Depository & Clearing Corporation

November 14, 2019

AGENDA

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Background

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Scope of Survey and Result

03

Conclusion

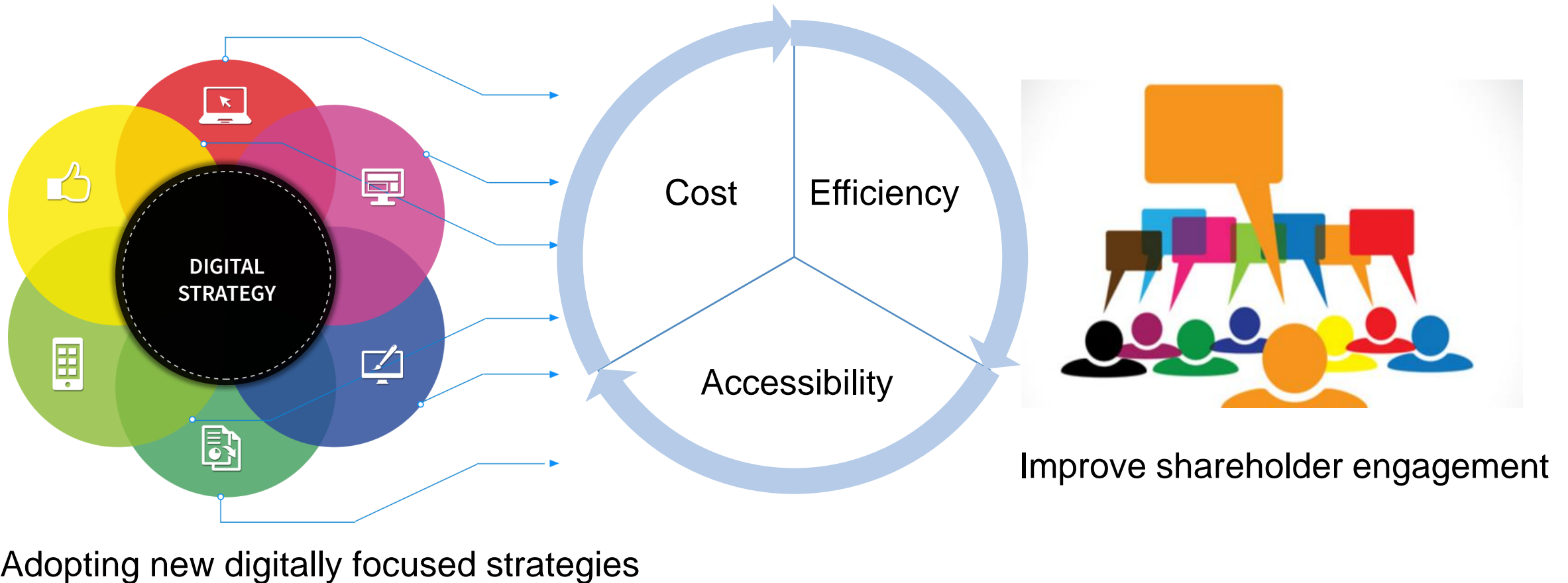
01. Background

- TDCC conducted a survey on the investor services provided by CSDs in October 2017
- The adoption of e-services in shareholder meeting has been among the most discussed issues
- Engaging investors' interest at the AGM

TDCC conducts a survey on
“E-services of Shareholder Meeting”

01. Background

Why Digitizing the Shareholder Experience is Important?



02. Scope of Survey and Result

E-services of Shareholder Meeting

Topics raised

01

**E-VOTING
(INCLUDING PROXY
VOTING)**

E-voting means shareholders may exercise their voting rights electronically outside the meeting

02

VIRTUAL MEETING

Shareholders can participate directly at a different place through communications technologies

03

**LIVE-STREAMING
FOR SHAREHOLDER
MEETING**

Live-streaming refers to online streaming media simultaneously recorded and broadcast in real time

04

**STP CROSS-
BORDER VOTING**

Foreign investors may engage in voting through a global intermediary such as Broadridge and ISS

05

**SHAREHOLDER
DIRECTOR
NOMINATION AND
PROPOSAL**

Shareholders may make proposals for voting and nominate candidates of the board of directors

02. Scope of Survey and Result

This survey applies to all companies listed on stock exchange and OTC markets



ACG Members		Non-ACG Members
Central Depository Company of Pakistan Limited	Maldives Securities Depository	Merkezi Kayit Kurulusu A.S. (MKK)
Central Depository Services (India) Limited	Philippine Depository & Trust Corp.	National Settlement Depository (NSD)
China Securities Depository and Clearing Corporation Limited	Singapore Exchange	
Hong Kong Securities Clearing Company Limited	Shanghai Clearing House	
Japan Securities Depository Center, Inc.	Central Depository Systems (Pvt) Limited Sri Lanka	
Korea Securities Depository	Thailand Securities Depository	
The Indonesia Central Securities Depository (KSEI)	Vietnam Securities Depository	

02. Scope of Survey and Result

Scope of services	E-service providers	The service is unavailable and there is no plan of introducing such services	Transfer agent		CSD		Other (please specify)
			Already available	Planning stage	Already available	Planning stage	
E-voting (including proxy voting)			India/Pakistan Japan/Vietnam China	Thailand	India/Korea Maldives/HK Vietnam/Turkey Russia/China/Taiwan	Sri Lanka/Singapore Indonesia/Philippines	Japan Korea
Virtual Meeting	Japan/Korea Singapore/Thailand China/Indonesia Philippines/Taiwan		HK		Turkey	Sri Lanka/Maldives Russia	
Live-Streaming for shareholder meeting	Korea/Singapore Thailand/China Indonesia/Philippines Taiwan		India HK		India/Turkey Russia	Sri Lanka Maldives	Japan
STP Cross-Border Voting	Korea/Maldives Singapore/Thailand Indonesia				HK Turkey Taiwan	Sri Lanka/China Philippines/Russia	Japan
Shareholder director nomination and proposal	Japan/Korea Singapore/Thailand Indonesia/Taiwan		India/HK China		India/Turkey Russia/China	Sri Lanka/Maldives Philippines	Pakistan

02. Scope of Survey and Result

Major factors that influence the promotion of E-services

Positive

Negative

Policy/ regulatory support

88%

64%

70%

Reasonable fees, other incentives or discounts

Application of the latest IT technology

Poor market response by companies

47%

52%

29%

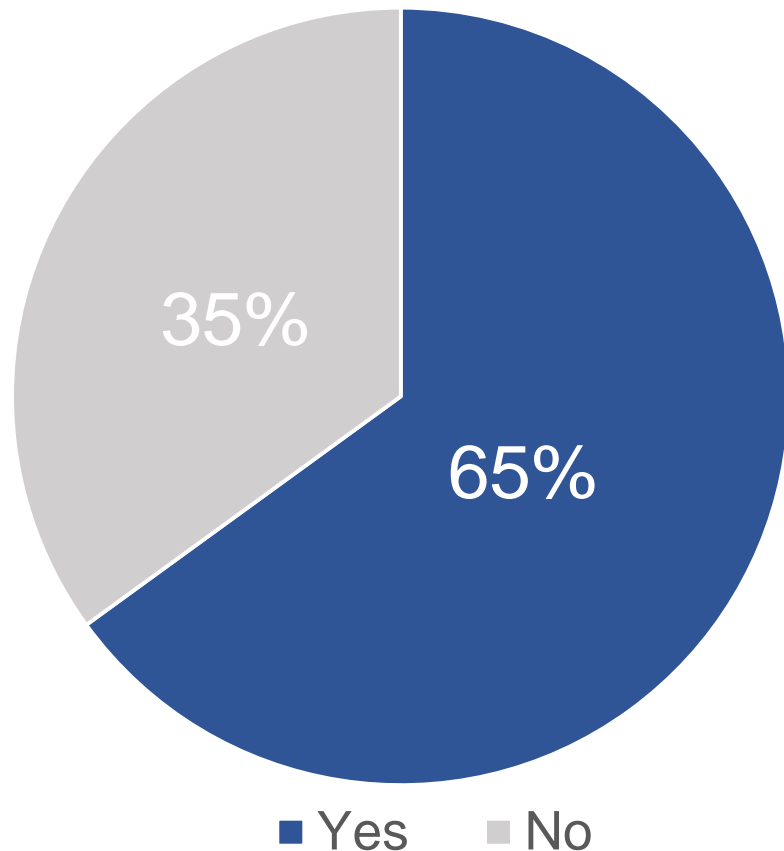
Poor market response by investors

**A lack of policy/ regulatory support
Insufficient infrastructure**

02. Scope of Survey and Result

(i) E-voting

E-voting Available



Provided By

Transfer agent

India/Pakistan/Japan
Vietnam/China

CSD

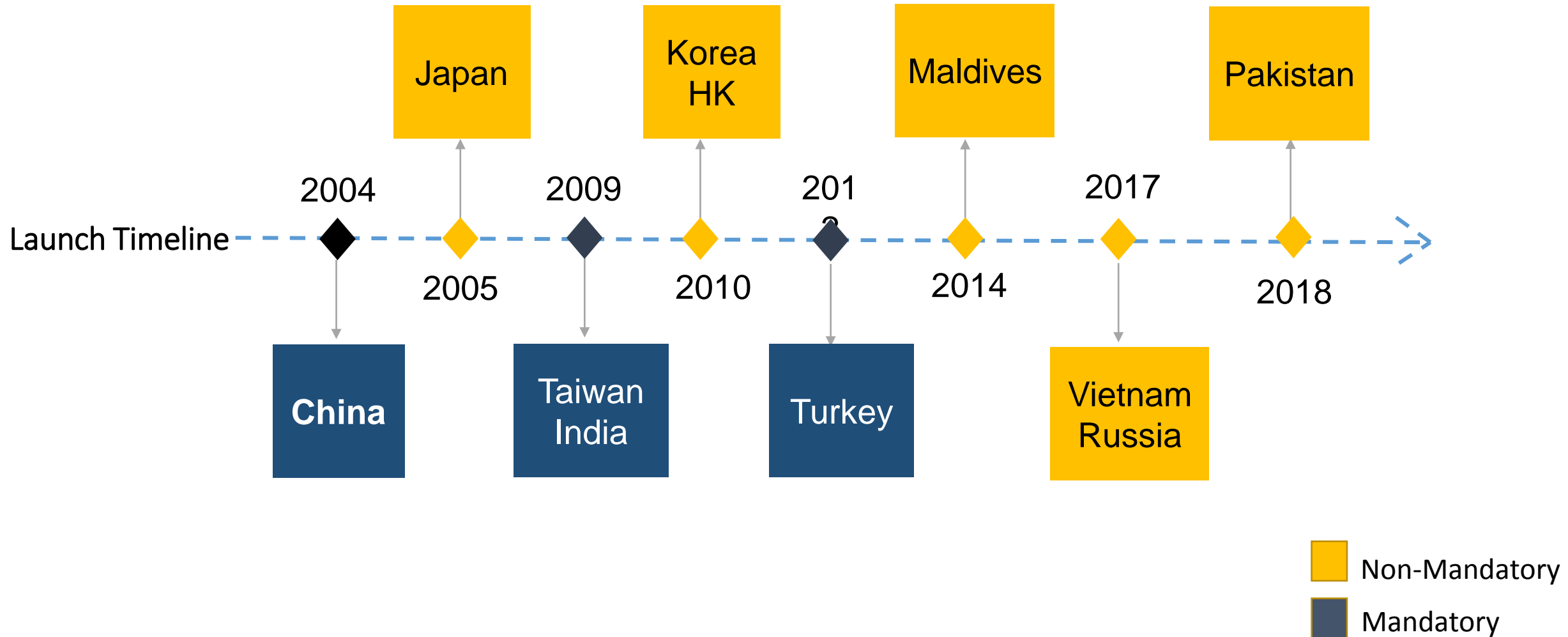
India/Korea/Maldives/HK
Vietnam/Turkey/Russia
China/Taiwan

Other

Japan
Korea

02. Scope of Survey and Result

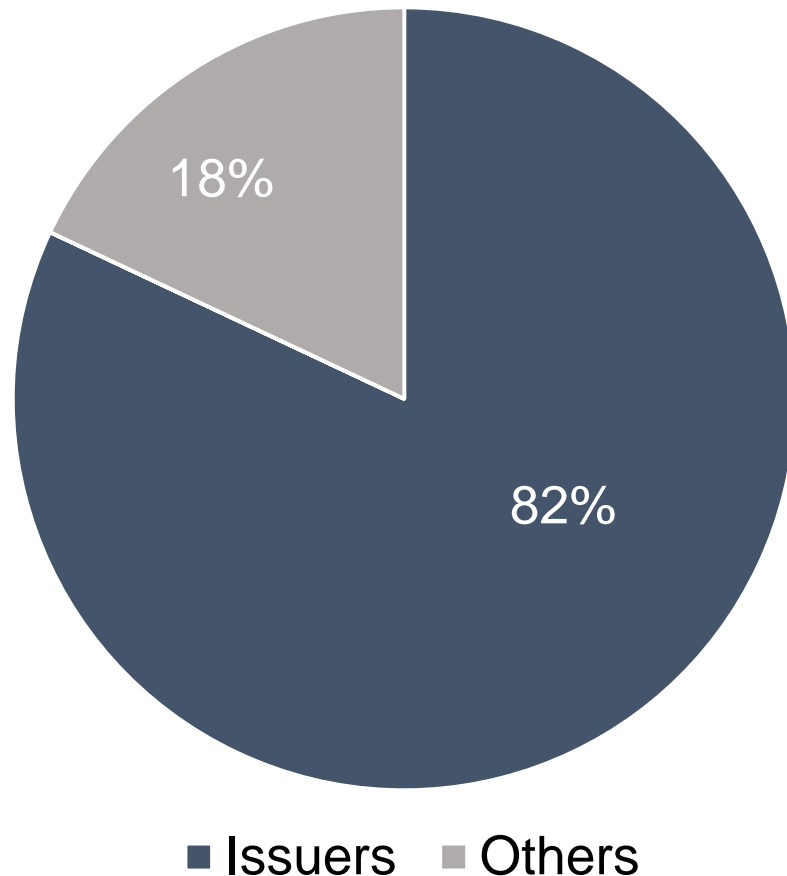
(i) E-voting



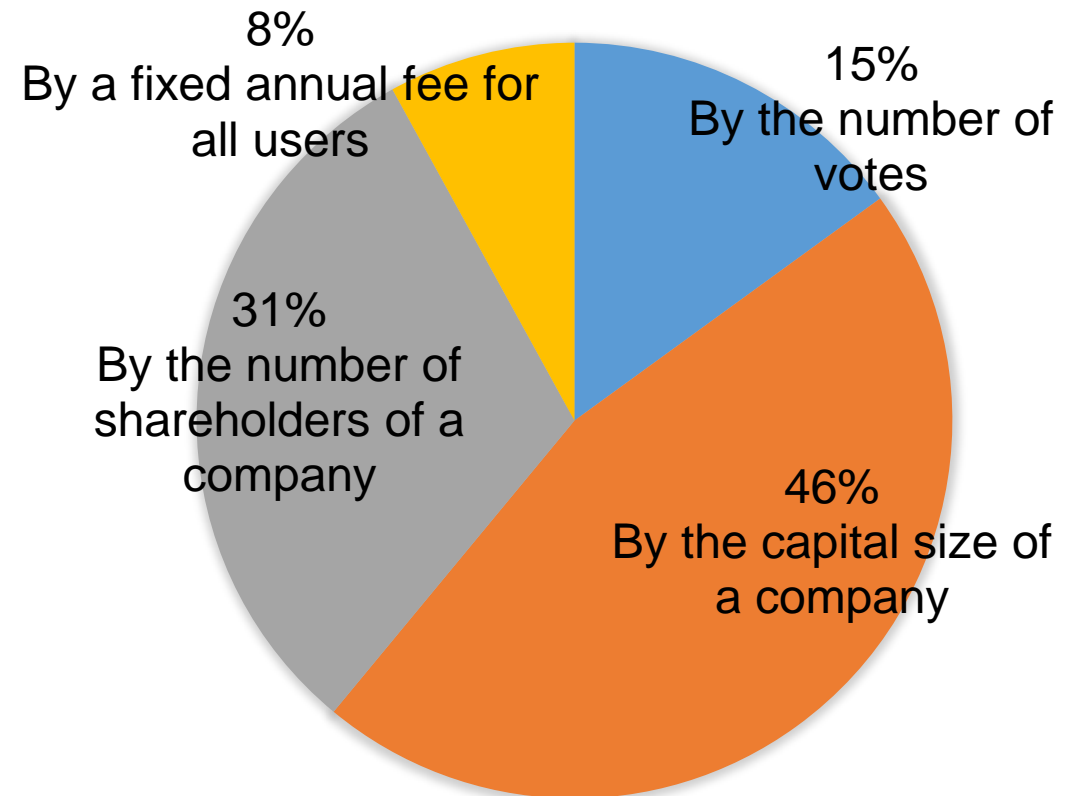
02. Scope of Survey and Result

(i) E-voting

Who pays for the service?



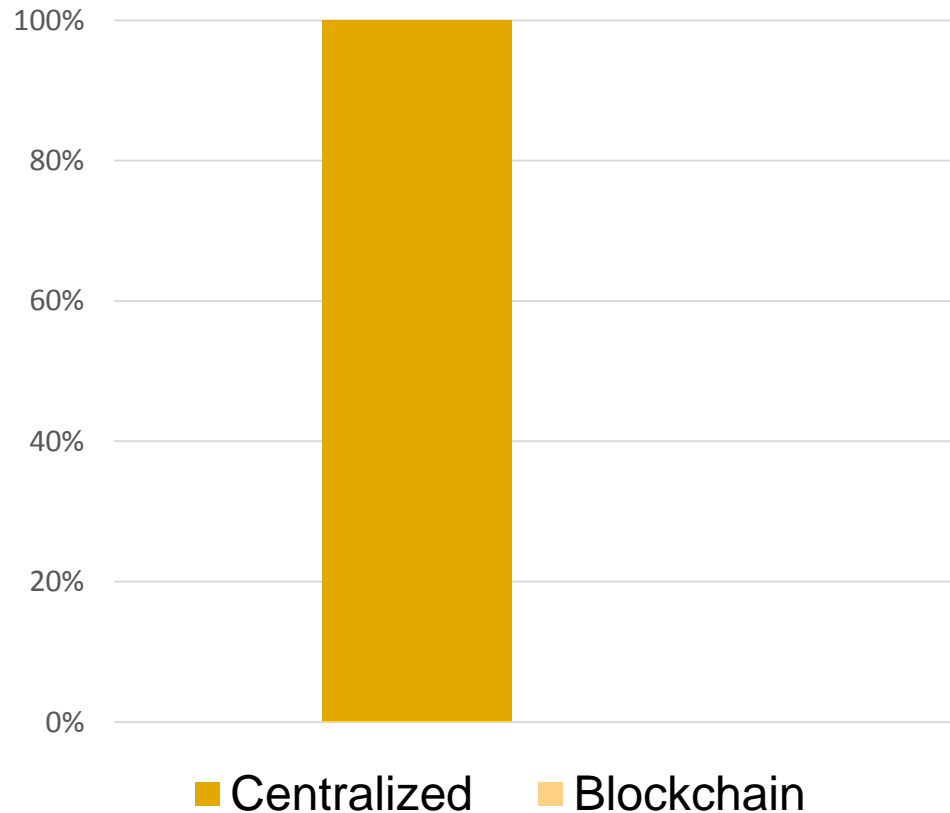
How is the fee charged?



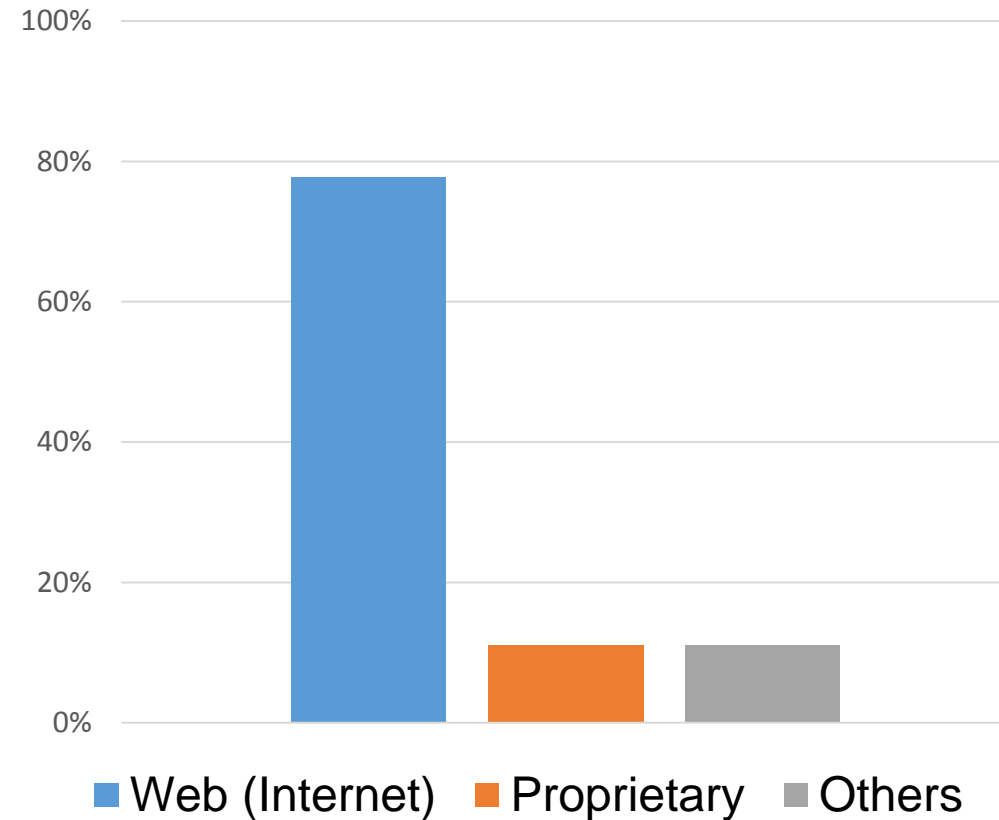
02. Scope of Survey and Result

(i) E-voting

What is the structure of your E-voting platform?



How is the E-voting system accessible to users



02. Scope of Survey and Result

(i) E-voting

Market Practice - Blockchain Application



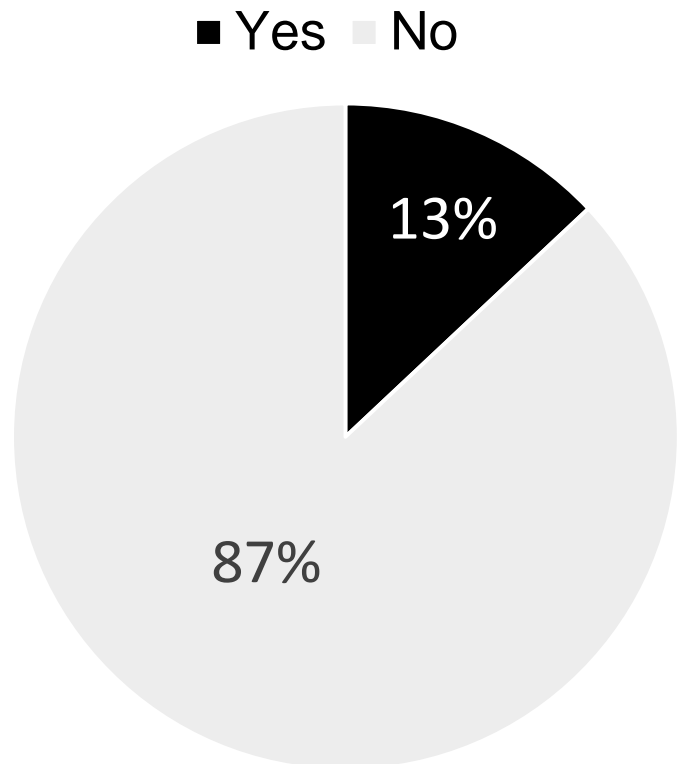
Singapore Exchange (SGX) test blockchain E-voting in the Asia Pacific using distributed ledger technology





Russia's National Settlement Depository successfully tests blockchain-based E-voting system

02. Scope of Survey and Result

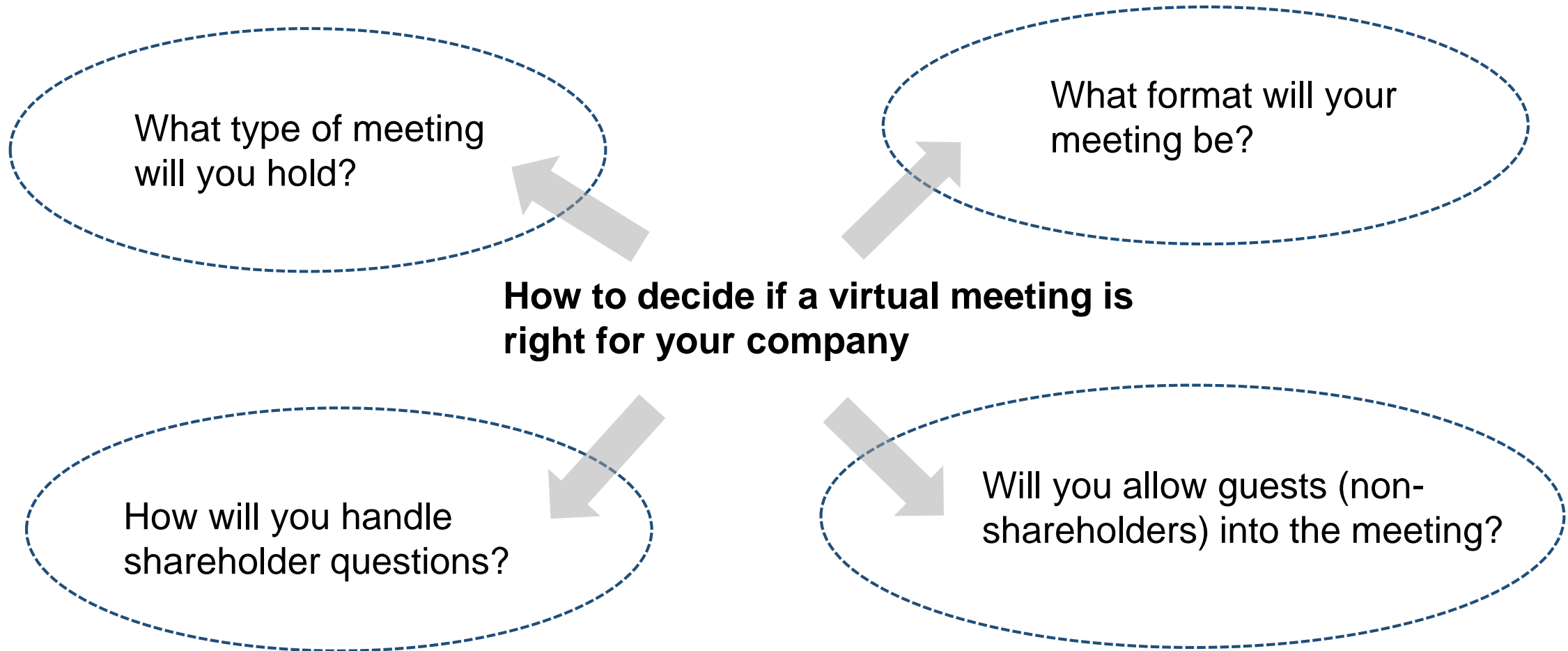
(ii) Virtual-Meeting



		
Adoption	Mandatory	Non-Mandatory
Form	Hybrid	Hybrid
Characteristic	Virtual Meeting and E-voting are integrated into the same platform, MKK's e-GEM system.	<ul style="list-style-type: none"> • Raising questions online • Browsing proposal information • Voting during the meeting

02. Scope of Survey and Result

(ii) Virtual-Meeting



02. Scope of Survey and Result

(ii) Virtual-Meeting

PROS	CONS
The Convenience Factor	Face-to-face Contact
Shareholder Accessibility	Selective Q&A
Shareholder Engagement	Corporate Access
Sustainability	

03. Conclusion

- E-voting is highly prevalent among our members.
- Virtual Meeting is at an early stage. With the ever-growing adoption of technological practices, we expect it to continue to gain momentum.
- With the advance of new technology, the traditional way to conduct AGM needs to be redesigned to cater to the needs of shareholders.

03. Conclusion

The future of AGM

- It is an important governance and engagement tool.
- Goal: Engaging investors' interest at the AGM

Regulators

Consider laws that facilitate innovative technological solutions

Organizations

Redesign the format and process, particularly address:

1. accessibility to the meeting
2. ways to update the format and content

Thank You