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 **Computershare**

Agenda / Core themes

- › Brief overview of Computershare
- › Global markets
- › Changing regulations and evolving market infrastructure
- › Impacts on issuers, investors and intermediaries
- › Conclusion

About Computershare - General

- › We serve over 30,000 corporations and 100 million shareholder and employee accounts in more than 20 countries across five continents.
- › Our market capitalisation is over USD\$5 billion and we have over 11,000 employees globally.
- › Our global footprint positions us to offer a wide range of cross-border services for corporate actions and routine cross border stock movements.
- › We work intimately with regulators, infrastructure providers and market participants on optimising market development solutions in a range of markets.

About Computershare - Where we operate



Our core focus in international markets, including Canada

- › Our primary goal is to assist corporate issuers in accessing local and international markets by providing services that facilitate and enhance the issuer-investor relationship
- › We do this by leveraging Computershare's global assets and unique expertise and insight to:
 - › Assist issuers and their advisors structure cross border and global solutions
 - › Apply best practices from other markets, where considered appropriate
 - › Work with industry groups (e.g. CDS) and market participants to innovate and create new services
 - › Engage in debates about appropriate market reforms

Examples of service enhancements to satisfy global stakeholders needs

- › Computershare's global service solutions additionally include:
 - › **xSettle** – Web-based service for brokers and other major market users. Designed to accelerate the transfer of securities between markets to enable brokers to effect settlement.
 - › **Global Issuer Online** – Web-based interface for dual and multi-listed issuers to consolidate shareholder information from component registers and settlement systems in each country.
 - › **Global Payments** – Via a bank partner, we provide the ability for investors to receive payments in their local currency wherever they are in the world.

Current topics under discussion (in Canada)

- › Corporate governance initiatives continue to drive changes to laws, regulations and practices; new directives continue to surface.
- › Many aspects of the current systems are being debated such as:
 - › Governance and shareholder engagement
 - › Whether to give issuers the right to identify and directly communicate with their investors, by opening up the beneficial shareholder communications system
 - › The deployment of e-communications solutions for timely and cost effective communications
 - › Dematerialization of physical securities

So Computershare, what have you done for me lately?

- › While Computershare is an advocate for reforms that enhance the issuers-investor relationship, we're keen to partner with market participants to create and deliver efficiency in transactions.
- › In furthering this goal, we're pleased to partner with CDS and its participants to develop mutually beneficial solutions; current examples include:
 - › DRS – book-based holdings for registered shareholders
 - › TRAX – CDS book-entry tool to transfer securities from or return to Treasury.
 - › xSettle – promoting web-based service for brokers to transfer securities between key markets
 - › Continuing to discuss ways to bring about market efficiency

Changes in Global Capital Markets – major drivers of change

- › Increased competition for listings; more complex structures, especially as new international venues become popular, and as more cross border investment / M&A occurs.
- › Major infrastructure “consolidation” (e.g. Stock Exchange mergers and consolidation of, or collaboration between, Clearing Houses & Settlement Systems)
- › Changing national Legal & Regulatory frameworks, e.g. governance, shareholder engagement, communications / voting etc
- › Market standards & automation (STP)

Industry drivers

- › The growth in cross border capital raisings, listings and M&A transactions is likely to continue and may be accelerated by stock exchange mergers or alliances.
- › For issuers, the focus continues to be on targeting investors, raising capital when needed, identifying who's trading their securities and who owns their stock (and sometimes why?), engaging with and efficiently servicing their investors – e.g. communications, corporate actions, voting etc.
- › For brokers and investors the challenge is to press for highly efficient, low cost, access to liquid markets and associated settlement and asset administration systems.
- › These should not be mutually exclusive objectives.

Globalization – impact on Issuers

- › Investor activism, governance and compliance pressures mean that issuers need a more transparent system of identifying share ownership and more effective means to engage shareholders.
- › For dual and multi-listed issuers, the complex “plumbing” that connects international markets often further challenges an issuers ability to identify owners so they can build and sustain a successful two-way relationship with their investors.
- › Market structure changes don't always deliver optimal solutions for all stakeholders. Special attention is needed to balance the needs of different stakeholders as well as local and international interests.

Conclusion: Industry collaboration is critical if we're to effectively manage change!

- › The industry challenge is to ensure that critical market infrastructure continues to evolve in a way that balances off the different needs of market users, especially end-users.
- › This has always been 'the challenge', but achieving a balance in future between local market needs efficiencies and global market integration will make this balancing act that much more complex.
- › On the flip side, delivering change effectively is likely to be highly beneficial for markets and rewarding for those who succeed in servicing them and the needs of their wide range of users.

**Thank You
&
Questions?**