

# Australian Shareholders' Association Ltd

## A.B.N 49 008 615 950

### Annual General Meeting

MINUTES of a meeting of the ASA Ltd Annual General Meeting held on **Tuesday, 16 June 2020** via Lumi Global and Zoom, commencing at 4.00pm.

<b>Present</b>	Allan Goldin	Chair
	David Fletcher	Company Secretary
	Alison Buxton	
	Andrew Kearnan	
	Carol Limmer	
	Mike Robey	
	Peter Rae	
	125 members online	
	7 guests online	
	7 ASA employees/associates	

<b>Apology</b>	No apologies were received
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<b>In Attendance</b>	John Cowling	CEO
	Ann Phillips	Joint Company Secretary
	Steven Mabb	
	David Allen	
	Wali Aziz	Audit Partner Walker Wayland Services Pty Ltd

#### Agenda Item

#### 1 Introduction

##### 1.1 Welcome, present and apologies

Chair Allan Goldin opened the meeting at 4.01pm and welcomed members and Directors to the meeting and noted a quorum was present.

The Chair noted that no apologies had been received.

##### 1.2 Introduction

The Chair introduced the Directors, the CEO and the Joint Company Secretary and noted at the commencement of the meeting 92 members and 8 guests were on online and in attendance.

The Chair advised that voting had opened and votes could be cast at any time throughout the meeting. The Chair also advised that questions could also be submitted at any time via the question

platform and would be answered through-out the meeting.

The Chair provided instructions to the members online on “how to questions” and “how to vote” within the Lumi application.

## **2 Addresses**

### **2.1 Chair’s Address**

The Chair addressed the meeting and outlined the following items which included:

- The loss of key staff in 2019 prevented ASA from undertaking many of the activities which were planned and budgeted for and therefore impacted on the full year financial results.
- The Annual Conference was a great success, monitoring teams performed well, local investor groups were a continuing success and ASA took its first moves into utilising digital advertising.
- The Board welcomed John Cowling as CEO, and feel fortunate that he accepted the opportunity. During the COVID19 period John and the team have created a new identity for ASA through the use of technology, providing webinars, attending virtual AGM’s and increasing ASA’s presence on social media.
- Longer term, if ASA is to continue to grow and prosper there will need to be changes to the way it operates and is funded. This was a key focus for the Board during the strategic planning day held earlier in the year. Plans are at an embryonic stage and to develop them further ASA will need a refreshed board and office set up.
- A note of thanks to the Federal and State governments for the support received as a result of the JobKeeper scheme and the NSW small business support grant scheme, without the financial assistance from these schemes ASA would not have emerged from COVID19 as financially well positioned as it will.
- The primary focus for ASA will always be standing up for retail shareholders and providing them with a voice.
- A word of thanks to Lumi for once again providing the technology for the AGM and to the ASA staff and volunteers for their continued support.

### **2.2 CEO address**

The CEO addressed the meeting and raised the following points:

- National office function exists to serve the members, this is achieved in four ways
  1. Assist monitors with their monitored companies with VI’s, attendance at AGM’s, and voting proxies.
  2. Assist convenors with discussion groups and investor forums
  3. Develop learning material and run educational events to help members become better investors
  4. Represent retail shareholders on new financial market regulations as they being developed.
- Following the cancellation of the 2020 Conference a range of speakers were arranged to present webinars to members, with many provided free of charge; we thank those sponsors who allowed us to retain their sponsorship funds for the 2020 Conference as a deposit for the 2021 Conference.
- COVID19 restrictions have meant we have had to develop new ways of operating using technology for educational programs and meetings. This new way of functioning will continue

going forward, physical meetings will recommence when it is safe to do so.

- All staff were working from home during the COVID19 isolation period; a roster system has now been implemented and staff are returning to the office under strict social distancing rules.
- Cash reserves at the time of the AGM is in excess of \$1m, just \$21k less than the balance at 31 December 2019. Membership numbers are holding up, however the full year forecast is difficult to predict due to the uncertainty of when face to face paying educational events can recommence.

Turning to the future beyond 2020:

- ASA monitoring capability will continue to grow.
- Investor meetings and discussion groups will restart and be supplemented by Zoom meetings for rural and remote members.
- Physical and virtual conferences will be expanded to reach more members.
- ASA library of webcasts, podcasts and other investing material will grow.
- The strength of ASA's advocacy and presence in the media will be expanded.

The CEO noted that the ASA represents not just the members, but the over 6 million Australians who hold investments on the ASX; he thanked the ASA's national office staff and volunteers all of whom provide a valuable service to all retail shareholders.

The CEO handed the meeting back to the Chair.

### **3 Ordinary business**

#### **3.1 Presentation of the accounts for the year ended 31 December 2019**

The financial report of the Association for the year ended 31 December 2019 was presented and discussed. This item of business does not require approval by members.

The Chair advised that Mr Wali Aziz (Principal) of Walker Wayland NSW, the auditors of ASA, was present at the meeting and available for questions on the financial accounts.

Members were invited to ask questions relating to the accounts.

A summary of questions and comments made, and responses include:

- Q) In relation to the financial literacy grant; what was the drain on staff resources; how much was paid to the facilitators; what did ASA learn from this process; how will the knowledge and materials developed be used going forward.  
A) The financial literacy program was aimed at women over 55 years, ASA's marketing team are currently converting the materials to be more general in nature, rather than just aimed at woman over 55. ASA will then make them available as an education tool. The balance of the question was taken on notice; the answer will be available on the website.
- Q) What is the remuneration for ASA's directors and executive staff.  
A) Directors are not remunerated; Refer to the Annual Report Page 36, Note 15 Key Management Personnel Compensation for executive remuneration.
- Q) In past years, ASA's National Conference has contributed significantly to the results of the organisation. Given this year's conference has been cancelled what steps are being taken to minimise the impact of the cancellation of the conference.  
A) 2019 Conference contributed \$192k to the results of the organisation. 2020 Conference was

forecast to contribute more than the prior year as sponsorship \$\$ were higher and registrations were trending higher prior to the cancellation of the event. JobKeeper payments and State government assistance programs are expected to be approx. \$200k. It is expected that these payments will balance out the cancellation of the conference. Full year result is difficult to forecast, planning in progress for the recommencement of face to face events later in the year, however these will be dependent on COVID19 restrictions. If planned events are able to go ahead current projections are for a \$5k - \$10k profit/loss. Historically membership has declined with a decline in the market, however this is not the current trend, membership has increased.

- Q) Is using Zoom a large cost to the ASA? Does ASA have a subscription?

A) ASA has a professional subscriptions, the CEO confirmed that the cost was minor, however, the question was taken on notice and the cost will be published on the website.

- Q) Can you confirm that the CEO has taken a pay cut?

A) Yes, the CEO has offered a voluntary reduction of \$20k, however the Board has not discussed or accepted the offer at this stage.

The questions and responses were recorded as part of the AGM webcast and are available on the ASA website.

The Chair advised that that there were four resolutions for consideration at the meeting. All resolutions were for the re-election or election of Directors. As noted in the Notice of Meeting, there are four candidates for only three vacancies. All candidates would have an opportunity to address the meeting and take questions from members.

The Chair advised that he would vote all available undirected proxies in favour of the first three resolutions and against for the fourth resolution.

Members were invited to ask questions relating to the accounts.

A summary of questions and comments made included:

- Q) The Board of Directors has Directors from QLD, NSW and VIC does the Board think that they should strive to have representation on the Board from all states that have active membership? If so, what plans are in place to achieve this objective?

A) The Board welcomes all members from all states to nominate to join the Board. Steven Mabb was the only member to nominate from a state (QLD) other than NSW and VIC.

- Q) Following the AGM, what will be the gender split of the board? If it is not at least 30% female and at least 30% male, how can we ask ASX companies which we monitor to achieve those targets?

A) Female representation will be 25% - 2 female Directors, with a total of 8 Directors, the Board strives to have a diverse Board. People from all walks of life.

- Q) Why the numbers of the Directors being voted on are capped at three. Was it an option to make it 4, to accommodate the extra application?

A) ASA Constitution governs the size of the Board, the maximum number of Directors is 8.

### **3.2 Resolution 1: Re-election of David Fletcher**

*David Fletcher having been appointed to the board on 24 October 2016, retires, and being eligible and offering himself for re-election, be elected as Director of the Company.*

It was noted that the board supported the re-election of David Fletcher to the board of directors.

David Fletcher addressed the meeting and no questions were asked of the candidate.

The results of the poll were as follows.

<b><u>For</u></b>	proxies/direct	114	
	meeting	46	
	<b><u>Total For</u></b>	<b><u>160</u></b>	
<b><u>Against</u></b>	proxies/direct	5	
	meeting	2	
	<b><u>Total Against</u></b>	<b><u>7</u></b>	
<b><u>Abstain</u></b>		<b><u>8</u></b>	
	<b>Total Votes</b>	<b><u>167</u></b>	<b>95.8%</b>

Following feedback from members, the Chair declared that voting would be re-opened, and remain open until all candidates had had an opportunity to address the meeting.

### 3.3 Resolution 2: Election of Andrew Kearnan

*Andrew Kearnan having been appointed to the board on 27 February 2020, retires and being eligible and offering himself for election, be elected as Director of the Company.*

It was noted that the board supported the election of Andrew Kearnan to the board of directors.

Andrew Kearnan addressed the meeting and no questions were asked of the candidate.

The results of the poll were as follows.

<b><u>For</u></b>	proxies/direct	120	
	meeting	51	
	<b><u>Total For</u></b>	<b><u>171</u></b>	
<b><u>Against</u></b>	proxies/direct	1	
	meeting	3	
	<b><u>Total Against</u></b>	<b><u>4</u></b>	
<b><u>Abstain</u></b>		<b><u>6</u></b>	
	<b>Total Votes</b>	<b><u>175</u></b>	<b>97.7%</b>

### 3.4 Resolution 3: Election of Steven Mabb

*Steven Mabb, being eligible and offering himself for election, be elected as Director of the Company.*

It was noted that the board supported the election of Steven Mabb to the board of directors.

Steven Mabb addressed the meeting and no questions were asked of the candidate.

The results of the poll were as follows.

<b><u>For</u></b>	proxies/direct	112	
	meeting	55	
	<b><u>Total For</u></b>	<b><u>167</u></b>	
<b><u>Against</u></b>	proxies/direct	3	
	meeting	2	
	<b><u>Total Against</u></b>	<b><u>5</u></b>	
<b><u>Abstain</u></b>		<b><u>9</u></b>	
	<b>Total Votes</b>	<b><u>172</u></b>	<b>97.1%</b>

### 3.5 Resolution 4: Election of David Allen

*David Allen, being eligible and offering himself for election, be elected as Director of the Company.*

It was noted that the board did not support the election of David Allen to the board of directors.

David Allen addressed the meeting and no questions were asked of the candidate

<b><u>For</u></b>	proxies/direct	18	
	meeting	14	
	<b><u>Total For</u></b>	<b><u>32</u></b>	
<b><u>Against</u></b>	proxies/direct	93	
	meeting	26	
	<b><u>Total Against</u></b>	<b><u>119</u></b>	
<b><u>Abstain</u></b>		9	
	<b>Total Votes</b>	<b><u>151</u></b>	<b>21.2%</b>

The Chair congratulated the successful Directors on the successful results of the Poll, and thanked Mr David Allen for his nomination and participation in the meeting.

The Chair also invited Mr Allen to pen an article on the European approach to governance compared to the Australian approach and submit it to the Policy & Advocacy Manager for review and possible inclusion in EQUITY.

## 4 General Business

### 4.1 General Business

The Chair advised that general questions could now be raised by members, the meeting would remain open until all questions had been answered. The Lumi App would remain open for one hour following the close of the meeting for members to submit questions. Any questions not answered during the meeting would be answered and published on the website.

Questions raised by members included queries on:

- Q) Would a European approach to governance be better for Australia?  
A) Refer to previous response, prepare a paper on the subject, submit to Policy & Advocacy Manager for review and possible inclusion in EQUITY.
- Q) Suggestion by a member for ASA to survey the members and if the majority agree to ask the Prime Minister and the relevant department to give retirees the option of withdrawing nothing from their superannuation accounts for the financial year 2020/2021, and therefore preventing many from selling down when the market is low, many retirees have enough cash in their bank accounts which is earning near to zero interest to sustain them well into the next year.  
A) ASA was one of the many organisations involved in lobbying the government to change the superannuation regulations to reduce the minimum pension requirement to 50% to prevent retirees from being forced to sell down during the current market conditions. ASA is a member of the Alliance for a Fairer Retirement System, we will have our representative discuss this suggestion with the Alliance.
- Q) Has ASA left the Alliance for a Fairer Retirement System as they were not listed as a member on the document relating to the short term and long term effects of COVID9 on retirees?  
A) ASA is still a member, not sure why it was not listed as a member, I will have the team investigate
- Q) ASA no longer monitors Amcor despite it being in the ASX 20. Why doesn't ASA provide a report even if it is unable to attend the AGM overseas?

A) ASA has limited resources and it is difficult to monitor companies who are domiciled overseas and hold their AGM's overseas. If a member wishes attend a meeting and provide a report, ASA are happy to receive it.

- Q) What is ASA doing about the scale backs at the recent SPP's.

A) ASA acknowledges there is confusion around qualification for SPP's for some companies. ASA is attempting to seek clarity on this issue, however it has not been successful to date.

- Q) Does the \$1m cash balance mentioned earlier include the \$125,000 in conference sponsorship held over for the 2021 conference?

A) The unencumbered cash balance is \$450k, which is \$1m less sponsorship balances held for the 2021 conference and membership fees paid in advance.

- Q) Is there an agreed plan of action to achieve an increase in members and might that include a campaign seeking ideas from all members? One suggestion is to reduce membership fee for the first year and consider a reduced fee for younger members for their first year.

- A) Membership currently is steady, and the Board and Management do have plans to increase membership and broaden the membership cohort. ASA is always happy to receive suggestions from members on how it may increase membership.

- Q) ASA's position (or lack of a position) on climate change is concerning. I feel we need to have an open and honest discussion within the ASA, consider the members concerns, look at the evidence, and weigh up the costs and benefits of climate action or inaction and have a policy position going forward. As an organisation the ASA has a good reputation for advocacy for retail shareholders, however we have a predominantly older, static or shrinking membership, we need to address the risks attached to that. Why are we not growing our membership in this environment? Over this time ASA membership has stagnated. I would argue that we need to be relevant to a younger membership and that includes an acceptance that climate change is an issue that affects us all and we all have to work together to reduce our impact on the environment.

- Q) How can members contribute to decision-making on the focus issues for advocacy and monitoring? I support the current four yet think ASA should also be pressing companies about managing many risks associated with climate change. Including this issue as a focus area for advocacy and monitoring could also attract new members to ASA and strengthen ASA's standing.

A) The issue of climate change policy is currently before the Policy Committee. The Committee welcomes representations on this issue from members.

- Q) What is the future plan regarding continuing to print Equity in the period ahead and how has website traffic performed during the COVID-19 shutdown?

A) ASA will continue to print EQUITY as the membership demographic supports this decision, however we encourage people to accept the "green" membership option. The website has been frequently used particularly during COVID. By way of explanation on website traffic the following statistics were offered.

Website Visitors		Age 18 - 24 yrs		Age 25 - 34 yrs	
Apr-19	Apr-20	Jan - June 19	3%	Jan - June 19	18%
5,956	12,323	Jan - June 20	11%	Jan - June 20	26%

- Q) Will ASA monitoring give prominence to Whistleblower legislation?

A) ASA supports anyone who reports or calls out companies organisations for any breach or wrong doing.

- Q) With the loss of so many key staff during the last year is there a cultural problem within ASA? Is the culture inclusive enough?  
A) It is the view of the Board and Management that the three long serving staff members who left ASA last year had served their tenure, particularly given the organisation is small, and that they moved on to roles which they felt was the next step in their careers.
- Q) How about putting materials in large font?  
A) ASA recognises that as we age our needs change, please contact the CEO to discuss your suggestion and ASA will see if they can accommodate.
- Q) Is there any way we can more formally include David Allen within ASA and encourage his input and insights?  
A) As previously stated, ASA encourages Mr Allen to pen an article on the European approach to governance compared to the Australian approach and submit it to the Policy & Advocacy Manager for review and possible inclusion in EQUITY.
- Q) As a request from Adelaide and I guess from other places remote from Sydney, it would be great to have candidates for the board and board members let us know when travelling the country so that we can introduce them and their ideas to regional branches.  
A) ASA supports being able to travel and meet member from other states and regions, however given the organisation is a small non for profit organisation this is very difficult to justify, particularly in this environment. If the opportunity arises we will consider it.
- Q) Can ASA help members by ensuring that in any webinars about investing in specific sectors that the risks mentioned include the full range of risks?  
A) The CEO accepts this comment and will ensure future webinars make these disclosures.
- Q) Has there been any consideration given recently to merging with the AIA? There is quite a large overlap in aims and activities.  
A) ASA acknowledges the overlap and had participated in discussions with AIA in the past , however there have been no formal discussions since then.
- I'd like to thank the ASA board members - all of whom are volunteers and devote a lot of time to the ASA for no reward. I'd also like to thank the ASA staff, particularly Fiona Balzer, for all their work to further the aims of the ASA and its members.

The questions and responses were recorded as part of the AGM webcast and are available on the ASA website.

## 5 Closure

- 5.1** The Chair noted that their 67 members and guests still online at the conclusion of the meeting. There being no further business the Chair closed the meeting at 5.47pm.

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Chairman

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Dated