

Steven Mabb, ASA Chair, AGM Address

I'd now like to address you all about the year that was and also the current plans for ASA.

So what is important to know?

First off, I would define 2022 as a year of great progress for the ASA. Whilst we weren't perfect, we did make big strides in a number of important areas and by most measures your organisation is in a better and stronger position than this time last year.

We have been faced with the uncomfortable trend that our membership numbers had not grown for many years and are a small percentage of the overall number of individual shareholders in Australia.

We again tried different ideas to bring in more new paid members but didn't have great success.

On the other hand, we decided to be bold and test a new concept around partnering with some appropriate third-party organisations, offering trial memberships. This gives new people a taste of what ASA is all about and why it's such a great community to be a part of. This test has gone very well to date and was a large reason our total member numbers grew for the year by around 30%. Many of these new members have already invested in our Conference, Virtual Investor Summit and other activities and we are hopeful that many will stay on as full paid members this year. We will keep assessing this concept and keep you posted on future plans to expand the ASA membership even further.

How big is our potential Community?

There are around 6 million Aussies that hold some kind of listed investments on the ASX outside their super. Their average age is around 45. Many have only just started investing in the past few years. So we will continue to be bold and explore new ways we can bring more of these people into the ASA Community in the coming years. Not for a

second does that mean we don't value our current members and won't continue to value them. It just means we should try and expand the size of our community in appropriate ways and be even more representative of all shareholders in Australia as this will benefit the entire ASA Community. That will mean more smart people for you to engage with, more influence with companies and regulators we interact with and more financial strength to reinvest in supporting all our members.

Other key issues on our strategy for this year and beyond are –

- a digital overhaul, which will see us replace ASA's website and our operating system making it easier for both current and new members to explore and maximize the value of belonging to ASA;
- an emphasis on membership and subscriber growth, including in corporate members. We believe by bringing in more appropriate corporate members we can have them engage directly with members, we can offer more tools to help them improve their Governance even earlier in the process which will benefit them and their shareholders and this initiative will also strengthen ASA financially which ultimately will benefit members;
- a review of EQUITY magazine and our content strategy, which will lead to recommended improvements for 2024, which will be developed in consultation with our members.

On to our Advocacy and Policy Work

We have tried some new ideas in our company monitoring work for the year, to improve the quality and consistency of this critical aspect of ASA. This is our biggest point of difference from other investor and educational groups and when done well can make a difference to the outcomes shareholders can expect from the companies they invest in. Over the years the proxy advisers have taken on many of the issues ASA pioneered and are influencing company actions. The bigger end of the ASX is much more aligned with our guidelines these days than the mid or small cap end of the market. The question we are asking now is how can we continue to make a real difference with our monitoring work going forward? I often think about how do we drive more positive change and better results for shareholders and how do we ensure high quality and consistent company monitoring reports when you allocate

your proxies to us? Fiona and the monitoring team are working hard on those questions now and I am sure we will make more progress in 2023.

In addition, we have sought more feedback directly from members on Policy issues and will continue to do more of this so we are prioritising the issues that matter most to members. An example is Fiona and Rachel presenting to the Senate Committee last week on the current Franking Credits and Off Market Buy Backs debate and our concerns about these possible changes.

What about Education

On the education side we have made lots of progress in 2022. Last year's Conference and Virtual Investor Summit were big successes and the feedback from both members and sponsors was very positive overall. This year's Conference we already know will be bigger and better again. With a much clearer program with our corporate sponsors, we are now providing more regular and quality content in Equity, on webinars and podcasts. This should expand even further this year with the Rask partnership, meaning you'll have an even bigger selection of topics and ideas to read, watch or listen to. Many of these speakers have also made themselves available to attend local meetings throughout the country, making it easier for Convenors to organise quality meetings for members. And the new website will make accessing this Educational content easier for you moving forward.

Financial Results

As a result of a clear and effective strategy combined with much hard work, we were very happy to report a major improvement in our finances year over year. We recorded an operating surplus of \$65,426 compared to an operating loss of \$170,394 in 2021.

Whilst we are a not for profit or can perhaps be better described as a "For Purpose" organisation, an operating surplus helps ensure we are viable and allows us to invest in appropriate activities going forward that add value for members.

The other good news is we still have total cash funds of over \$1,000,000 in the bank and our retained surpluses increased to over \$400,000, so our balance sheet remains healthy.

So far in 2023, we are tracking well and ahead of the budget for the year, so we will keep working hard to deliver good results for you by years end.

Governance

At Board level we undertook a detailed review with the assistance of James Beck, who is a senior facilitator at the AICD and recognised Governance expert. A deep dive into the skills we require on the Board and then how each Director meets each specific skill, ensured we have a clear understanding of where we are at and what is required to close skills gaps moving forward. We have used this assessment to help target the required skills for new directors in 2023 and have also published a detailed skills matrix in the Annual Report so you are all fully informed.

As a result of this review, we have appointed two excellent new Board members in Richard Goldman and Karl Schlobohm who bring new expertise to the current Board.

In previous years we have also experienced a lot of staff turnover for multiple reasons. That isn't an attribute we wanted to see continue, so your Board has prioritised reviewing and benchmarking the salaries of our team and ensuring they are appropriately compensated. We thought carefully about the roles we have and were more creative in how we recruited for them, which resulted in Leigh and Caity joining the team who are based in Brisbane where the cost of living is lower. We thought through how we both recognize and retain good performers, so we created a small incentive plan for the team last year. They worked really well as a team and delivered an excellent overall result, so we were happy to pay out an incentive for a job well done. The Rem and Nom Committee and Rachel have conducted performance reviews earlier this year and are also discussing succession planning within the team so we can create more career paths for our team. Still lots to do here but again good progress made overall and thanks to our wonderful Director Carol Limmer for her leadership in this area.

I also want to acknowledge our excellent Director and Company Secretary Michael Jackson who has been doing an outstanding job to ensure the Board is efficient and compliant with all the day to day issues we need to be.

I believe that we have an excellent and appropriately skilled team and Board, but want to stress that our longer term goal is to increase the

diversity of the team, particularly the Board. We believe we could benefit from the views and experiences of people with a more diverse background, conscious that we seek to appeal to more of the 6 million investors that aren't yet part of ASA, so something to work on going forward.

Sustainability

In 2022 we formalised our approach to Environmental Social Governance (ESG) and in particular with monitored companies. We understand this is still an area of some debate for members however the majority of our members told us they want us to report and ask questions of companies regarding their sustainability and ESG activities. The Board is also undertaking a review of our own environmental impact which we will report to members on later this year.

We recently asked members about their thoughts on a Reconciliation Action Plan and whether this may be appropriate for ASA moving forward. The feedback was not now, so we have shelved that initiative for the time being.

Agree to Disagree

A great investor I follow recently said something that has really resonated with me. It was that when two people disagree, usually one of them is wrong...so why are you confident that it isn't you that's wrong?

There is no doubt I have been wrong many times in my life and business career despite usually being convinced I was right at the time. So I have been thinking harder about this as the Board including myself of course and our team tackle important issues and ideas. Increasingly we are trying to use more data and appropriate information to guide our decisions rather than gut feel or personal opinion.

So the final topic I'd like to touch on is member feedback. It goes without saying it is very important and constructive member feedback helps us assess where we are at and what we need to make progress on. What we have also come to recognise though is that ASA members often have a range of views on specific topics and often they can be

polar opposites. This makes it virtually impossible to make all members happy if we do take a position on an issue. So how do we approach this moving forward? Firstly, we would encourage you to be kind and constructive in your feedback. We have many ways members can provide feedback, through surveys, in Q&A sessions or directly via email or conversations. Your Board and Management team really care about all our members and are always striving to do what's right and in the best interests of our overall membership. Sometimes we may get something wrong or our position may not align with yours on a particular issue. So while you might disagree with a specific position or activity we undertake, we hope on balance and overall, you see the value in belonging to the experienced, independent and growing community that is the ASA.

Team and Volunteers

The strong results in 2022 and so far in 2023 were delivered by a great group of people...your wonderful CEO Rachel Waterhouse and her excellent team of Fiona, Leigh, Damien, Jade, Caity and our outsourced accounting team in Stacey and Tamara. My fellow Directors who contribute so much to our strategy and help ensure we are strong financially and managing risks appropriately.

Finally, I want to thank all of our other wonderful volunteers who make ASA possible. Without all our hard-working State and Company Monitor Chairs and their committees, the Discussion Group Convenors, Monitors, Conference helpers, members who pack the monthly renewals and many others we simply couldn't afford to operate the way we do. On behalf of all members, the Directors sincerely thank you for your contributions and appreciate all you do.

We wish everyone luck for 2023 and thanks as always for your support. It may continue to be a bumpy year in markets with all the macro issues swirling around but your membership and participation in ASA should help you navigate the road a little better.

Thank you and I'll now hand over to Rachel some further insights.

CEO Address at the 2023 AGM

It is an honour to be speaking to you today, reflecting back on 2022 – my first full year as CEO. I thank ASA members for welcoming me into your community and appreciate the support that you give to our association.

For many, 2022 was a turning point, returning to normal after two years of difficult COVID conditions. Like most organisations, ASA had to adapt to government directives and embrace remote working, so it's a relief that we're back to normal.

Despite the challenges, the ASA team has focused on delivering outcomes across education, events, member engagement, advocacy, and company monitoring.

Investor Conference

Our ASA Investor Conference, held in Melbourne in May 2022, was a reasonable success, but ongoing concerns about COVID unfortunately led to fewer delegates than in previous years, and the need for a flexible refund policy.

With that said, those who attended were strongly engaged and satisfied, and the Conference attracted significant sponsorship, contributing strongly to ASA's overall operational surplus.

Investor Conference

As you may know, when our 2020 Investor Conference became virtual, its success inspired ASA to introduce the Virtual Investor Summit in 2021.

We repeated this in 2022, drawing over 500 attendees with a program of high profile and influential international and local speakers.

This event is proving to be a viable alternative for those who may not be able to travel to the in-person Conference, and we will be continuing it in future years.

Partnerships and sponsorships

Partnerships are a key strategy for ASA's future success and growth, allowing us to promote membership, education, and investor information.

In 2022, we continued to build new partnerships with other investor organisations and associations to expand our reach and build our profile.

Sponsors have been invaluable for the Association, allowing us to deliver more for our members than we could otherwise hope to do. In

2022, the support of sponsors for both the Investor Conference and the Virtual Investor Summit was a significant factor in the great success of both events.

Social media

For the last two years, ASA's social media presence has increased, adding another dimension to how we engage with, and promote to, our members, stakeholders, and other customers.

Our email database has grown during the same period, and our open rate for emails – a key metric for measuring performance – increased to 57% and continues to rise.

This shows not only that our audience is engaged, but that our reach is continuing to expand to new potential members, customers, and supporters.

Membership

ASA ended the year with over 6,000 members and 6,000 subscribers.

In 2022, we trialled a model where people who are engaged with our partners received a trial one-year membership to ASA. This contributed to our growth in member numbers and the recipients engaged with our events and products.

We hope that these member cohorts choose to continue their involvement with the Association and help us to expand and improve our community.

Subscriber numbers increased, thanks to a decision to provide investor information through a newly created section of our website called ASA Insights. The content on these pages was developed by both the team and our sponsors and we generate further interest in the Association by sharing some of these articles through our social media platforms.

Our committees are also helping to increase member interest. In Victoria, Alan Hardcastle and Christine Haydon came up with an idea to create investor member stories that could be shared in EQUITY. They were also put onto our website and emailed to our database.

These stories provided insights for newer members and have been well received. I thank each of the contributors for their initiative and for their support of member education.

Member meetings

As with other ASA activities, COVID continued to impact local member meetings and convenors had to adapt to changing restrictions.

However, as conditions eased throughout 2022 some meetings began to return to normal, while others continued to operate online or via a hybrid format. Most meetings are now back to operating in person.

Advocacy

A couple of key highlights came from our advocacy efforts in 2022:

- A move by the then Federal Government to introduce a proxy advisor regulation threatened to introduce onerous restrictions for the sector.

However, following lobbying efforts by ASA, the regulation failed to pass the Senate, and the changes did not proceed.

- And, on Environmental, Social, and Governance (ESG), a group of ASA members developed a policy, setting goals and seeking a reporting pathway for companies on ESG matters.

I know that ESG is a divisive issue, even within our own membership, and that we need to recognise that not all investors may share the same view.

But it's equally important to note that companies are currently focused on setting and achieving their own ESG targets, so the Association has attempted to identify a position for responding to this.

Media

ASA has increased our media mentions significantly – by over 10% – and we are frequently being sought out by media organisations for comment on current issues.

This recognises the importance of the Association as a voice of the retail investors.

Company monitoring

ASA revised our company monitoring guidelines, with input from company monitors and governance experts.

This has made it simpler and easier for monitors to review the performance of companies to ensure the latter are doing the right thing by shareholders.

Inaugural ASA Awards program

ASA volunteers contribute time and effort to our Association either in convenor roles or as company monitors.

To recognise these efforts, the Board and management introduced the inaugural ASA Awards program at our annual conference.

The 2023 ASA Awards will be announced at this year's Conference.

Staffing

Following a review of the resources required to deliver ASA's strategy, a restructure occurred early in 2022.

We now have a small team of 5.5 FTE employees working in-house, supplemented by external contractors to support bookkeeping and major events management.

Financial performance

As Steve mentioned, financially ASA has turned a corner.

In 2022, we delivered a \$65,426 net operating surplus, compared to a \$170,394 net deficit the previous year.

As the Association sustained deficits for three of the previous four years, the surplus is a great outcome, and a goal for the coming year.

Thank you

I would like to extend my thanks to Leigh, Fiona, Damien, Caity, and Jade for their valuable contributions and their dedication to the ASA.

Thanks too to our external contractors – accountant, Stacey; bookkeeper, Tamara; and Dee, who has managed the Investor Conference and Virtual Investor Summit.

ASA is supported by a huge network of volunteers – nearly 200 state chairs, committee members, company monitoring committee chairs, company monitors, and local member meeting convenors. Without their support, we would not be able to achieve anything, so they have my ongoing gratitude.

A core group of volunteers – the Board directors – deserve special mention for their leadership, time, commitment, and passion for a well governed organisation. They played a significant role, developing strategy, overseeing its implementation, and providing guidance and counsel to Management. They are a great source of support and strength, and tireless workers behind the scenes.

Finally, thanks to you, the members. We only exist because of our members and to serve their interests, and your ongoing participation is a great source of support.

I am excited about what we can achieve as an organisation this year as we work together to make ASA more effective, influential, relevant, and valuable for our members.

I look forward to making 2023 even more successful than 2022!