



Company	Blackmores Limited
Code	BKL
Meeting	AGM
Date	27 October 2021
Venue	Online
Monitors	Julieanne Mills

Number attendees at meeting	104 shareholders, 4 third party proxies and 299 guests
Number of holdings represented by ASA	93
Value of proxies	\$9.17m
Number of shares represented by ASA	94,502 (equivalent to 15th largest holder in Top 20 list)
Market capitalisation	\$1.87bn – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair-Anne Templeman-Jones, Wendy Stops and David Ansell

Chairman holds her ground as Marcus Blackmore attempts to install Director.

The meeting opened with an address by the chair, Anne Templeman-Jones, who highlighted the achievements of the team in transforming the business and improving Blackmores's efficiency and profitability. She addressed the concerns that had been raised by the ASA around culture. The importance of sustainability and corporate governance were highlighted, both the achievements and some of the challenges.

She then addressed the situation with Marcus Blackmore and described the role of the board and its responsibility to act in the best interests of the company and all shareholders.

After more than two years of board instability and several director resignations (including Marcus Blackmore) the chair and her fellow directors have now established a cohesive board to support the CEO and the company's future. She highlighted the breadth and depth of experience, and the balance of the directors on the board.

The chair explained the board's justification of voting against the election of George Tambassis, who was seen as having a set of skills that are already covered on the board and within the organisation. Mr Tambassis had been interviewed and rejected twice prior to self-nominating.

The campaign by Mr Blackmore to support Mr Tambassis had many shareholders lobbied for their proxies. At the same time the media was highlighting the breakdown of the relationship between Mr Blackmore and the chair.

Governance has been a concern for the ASA with only 4 directors in place for much of the previous difficult financial year. In the past few years Blackmores has had three female directors resign from the board with immediate effect. Beginning in August 2019 with Helen Nash and Jackie McArthur and again in 2021 with Christine Holman. There were other resignations, but these stand out and there was a long search for a new chairman.

The chair's address refers to "a difference in view as to Marcus Blackmore's adherence to the principles of respect in the workplace contained in the Blackmores "Code of Conduct" which may point to some of the reasons for board turnover.

Stephen Mayne dominated question time with questions that centred around the relationship between Mr Blackmore and the board, one question referring to robust board discussions between Mr Blackmore and the board that may have triggered a breach of the code of conduct, given that this information was not in the public domain, it suggested the information had been provided by Mr Blackmore. He also suggested that Marcus Blackmore was considering an EGM to remove individual directors and had voted against the chair. He was advocating for a change of chair to achieve peace with Mr Blackmore. There were no questions from Marcus Blackmore. Questions were asked about the company's expenses in phone lobbying against the election of Mr Tambassis. According to the chair the phone lobbying was initiated by Mr Blackmore and Mr Tambassis even though the company did not provide phone numbers or emails of shareholders, so it was hard to see that the board had an alternative.

The Lumiagm site had problems with voice questions not working and times when the AGM went dark, which didn't help the perception of transparency. Every effort was made to facilitate calls with mobile numbers listed on the screen.

Other questions from shareholders focused on the India expansion, China and its human rights issues, the Blackmores moat, where the growth in Paws was coming from, production capacity and capital expenditure at Braeside. On a question relating to the current zero shareholding of most board members, the Chair stated that directors had 3 years to build their holding to the required minimum.

The new Directors all spoke to the meeting about their passion for the company and recognition of Blackmores strengths along with their considerable executive and director skills and experience, across a range of countries, regulatory environments and health care.

George Tambassis spoke to the meeting about his skills and connections in the pharmacy business, he did not answer the ASA question about how he would manage his independence from Marcus Blackmore.

The chair, Anne Templeman-Jones received 60.4% of the votes for her election. (This reflected 90% of voters other than Mr Blackmore voting for the chair). The other directors, except for Mr Tambassis, all received votes for their election above 98.8%. Mr Tambassis election was defeated receiving a vote for his election of 44.4%.

Chair and CEO address can be found here along with a webcast of the AGM.

<https://www.blackmores.com.au/about-us/investor-centre/news-and-announcements>

The day after the AGM, the media reported Marcus Blackmore was continuing his push for George Tambassis on the board claiming that he had the pharmacy connections and that Blackmores had been losing market share in the pharmacy market. Having voted against the election of the chair he described his relationship with her as “poisonous” and that “the vote against her should trigger a practical response from the other directors to choose a new chairman from within their ranks” The reports also stated that Mr Blackmore was ramping up for a long fight, with discussions of nominee directors, and a potential call for an EGM.

Following the extensive press coverage after the AGM, the ASA sought clarification from the chair, she confirmed that she had 100% support from her fellow directors as the chair and that the board now has a 3 year mandate, with a clear direction, and deliverables which shareholders can measure the board against in the coming years.

“The board and management now need to be left undistracted by our shareholder to deliver what we have committed, that’s to the benefit of all shareholders” said Anne Templeman-Jones.