

Codan Limited 2022 AGM report

ASX code	CDA
Meeting date	23 October 2022
Type of meeting	Hybrid
Monitor	Stephen Howie assisted by Brad Martin and Malcolm Keynes
Pre AGM-meeting	With CEO, CFO and Manager Investor Relations

Meeting Statistics

Number of holdings represented by ASA	70
Number of shares represented by ASA	412,076
Value of shares represented by ASA	\$1.6m
Total number attending meeting	73 in person, 160 online
Market capitalisation	\$0.7b
ASA open proxies voted	Yes, on a poll. ASA voted in favour of the resolutions

The meeting started on a sombre note, with the announcement that Mr Ian Wall, a co-founder of Codan had passed away earlier that morning. Mr Wall's contribution to Codan's success was duly acknowledged by the Chairman, and several attendees.

Chairman announced his intention to retire during the coming year. Non- Executive Director Mr Graeme Barclay will assume the role. Non-Executive Director, Mr Peter Leahy retired at the close of the AGM. His replacement is yet to be announced. During the coming year, two new Board members will be appointed, at least one of whom will be a female.

The Chairman and CEO addresses were informative and referred to factors that have and will impact on Codan's business.

Executive General Managers also made presentations in respect of their business units, with contract wins in the DTC and Zetron businesses, new product launches and market development initiatives in the metal detection businesses.

Key points made were:

- Successful integration of DTC and Zetron businesses
- Ongoing strategy of diversifying revenue and profit across business segments and geographic areas
- Metals Detection continues to face headwinds caused by a range of factors, notably the loss of market access in Africa and Russia, because of geopolitical factors
- A significant downgrade in expected earnings for the six months to 31 December 2022 in the range of \$25-\$30m, compared to \$50m for the six months to December 2021.

There were many questions arising during the AGM, and there was a great deal of discussion about the significant fall in the company's market capitalisation from more than \$3b at its peak to currently \$0.7b. On the morning of the AGM, Codan's share price fell 20% in response to the profit downgrade. Further questions arose regarding:

- Corporate profile, visibility, and analyst coverage
- Index classification
- Disclosure compliance
- Cost pressures
- STI and LTI hurdles
- Board tenure
- Marketing activities, opportunities for market development in the defence sector, and market expertise at Board level
- Staff turnover
- Share price vacillation
- Request for more detailed information disclosing segmentation
- ROA for detection segment compared with communications
- Supply lines
- Top three expenses: wages, freight during pandemic. electronics

All resolutions were carried.

Resolution	in favour
1. Adoption of Remuneration Report	97.94%
2. Re-election of Ms Gramp	98.89%
3. Grant of Performance Rights to Mr Ianniello for FY2022	97.45%
4. Grant of Performance Rights to Mr Ianniello for FY2023	97.49%

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