

7 October 2020

Ebos Group Ltd (EBO)

The company will hold its Annual Shareholders Meeting **2.00pm Tuesday 13 October 2020**.

The location is **Addington Raceway & Events Centre, 75 Jack Hinton Drive, Christchurch**.

The company is the largest Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading Australasian animal care products marketer and distributor.

It employs 3700 people, 72% in Australia and 28% in New Zealand at 57 locations. Healthcare comprises 87% of its business with animal care the other 13%.

Whilst Covid-19 had some impact on the business as it was considered an essential service it was able to continue operating more or less as usual.

Results for the year were a record with Revenue up 26.5% at \$8.8 billion, EBITDA up 13.4% at \$296.6 million and NPAT up 18% at \$162.5 million. Dividend was 77 cents per share.

The shares are trading at \$24.44 and have traded through a range of \$20.08/\$25.50 over the past year.

We note that Sybos Holdings sold two tranches of 15 million shares, in November 2019 and June 2020, reducing its holding from 37.43% to 18.74%. It remains the largest shareholder.

Board Composition

The Board comprises an Independent Chair, 3 Independent Directors and 2 Non-Independent Directors. The 2 Non-Independent Directors are appointed by Sybos.

The Chair Elizabeth Coutts has served on the Board since 2003 and as Chair since 2019. She is also the Chair of Ports of Auckland, Oceania Healthcare and Skellerup. In the past we have raised concerns around the number of governance roles she holds, and this is even more relevant with the impact Covid-19 will have on Directors as they navigate their companies through the coming period.

We note that her recent re-election to the Board of Oceania Healthcare included a 12.47% vote against the resolution.

We have again discussed with Ms Coutts the size of her workload and have been assured that changes are planned. We were also told that Board changes are intended but that the recruitment process has been stymied by Covid.

Resolutions.

1. To elect Nicholas Dowling as an Independent Director.

Nicholas Dowling was appointed to the Board 1 February 2020 and is therefore required to offer himself for election. He is currently the Chief Operating Officer at Balmoral Australia, a family office engaged in the tourism, wine, maritime services, and investment sectors and sits on the Advisory Board of AEH Group. Prior to Balmoral Australia, he was Managing Director and CEO, Australia, and New Zealand, at New Hope Group Co. Ltd, a private Beijing based corporation engaged in agribusiness and food, real estate and infrastructure, chemicals, finance, and investment.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. To re-elect Sarah Ottrey as an Independent Director.

Sarah Ottrey was appointed to the Board in September 2006. She is Chair of Whitestone Cheese Limited and a director of Skyline Enterprises Limited and its subsidiaries, Mount Cook Alpine Salmon Limited, Christchurch International Airport Ltd and Sarah Ottrey Marketing Limited.

We understand that a replacement for Ms Ottrey will be found when circumstances permit.

We will vote undirected proxies **IN FAVOUR** of this resolution.

3. To re-elect Stuart McGregor as a Non-Independent Director.

Stuart McGregor was appointed to the Board in July 2013. He is a director of Symbion Pty Ltd and other EBOS Group subsidiaries. Prior to that he was Company Secretary of Carlton United Breweries, Managing Director of Cascade Brewery Company Limited in Tasmania and Managing Director of San Miguel Brewery Hong Kong Limited.

We will vote undirected proxies **IN FAVOUR** of this resolution.

4. That the Board is authorised to fix the auditor's remuneration for the coming year.

This is an administrative resolution.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://www.investorvote.com.au/Login>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **2.00pm Sunday 11 October 2020.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

STANDING PROXIES - AUTOMATICALLY APPOINT NZSA AS YOUR PROXY

MAKE YOUR VOTE COUNT!

Details on the NZSA website.

The Team at NZSA.