



Company	Harvey Norman Holdings Limited
Code	HVN
Meeting	AGM
Date	Wednesday, 24 November 2021
Venue	Online (Lumi)
Monitor	John Cowling

Number attendees at meeting	Online
Number of holdings represented by ASA	45
Value of proxies	\$1.8 million
Number of shares represented by ASA	363,321
Market capitalisation	\$6.5 billion
Were proxies voted?	Yes, on a poll
Pre AGM-Meeting?	Yes, with Ken Gunderson-Briggs & Chris Brown

Covid lockdowns hit HVN sales in Australia & NZ

Before the ASX opened HVN released a Retail Trading update showing an 8.8% decline in sales for the period 1 July to 21 November 2021 (compared to the same period last year) and a 35.5% drop in Q1 profits.

Unlike all other ASX 200 companies the AGM did not commence with the Chair and CEO Report nor did the Directors have the courtesy to speak do their re-election. This no doubt led to a rather subdued and formal AGM. with none of the usual fireworks we've come to expect from Gerry batting off ASA and Steven Mayne's questions. In fact, there were only 6 questions half of which were from the ASA.

Our questions covered –

Q1 - Reasons for lack of institutional shareholders on register?

Answer – The free float is 45% of register of which 70% is institutional investors (32% of register).

Q2 – Rem Report difficult for non-expert reader. Can HVN produce non-technical summary next year?

Answer – Agreed this is a useful suggestion from ASA and will be adopted next year.

Q3 – Succession plans to replace long standing directors/managers?

Answer – succession plans are in place and two new directors were appointed this year.

Other questions

Q4 – Details of JobKeeper repayment?

Answer – All wholly owned businesses repaid JobKeeper

Q5 – Are “independent” directors really independent due to their long tenures and will more true independents be appointed next year?

Answer – directors are valued for four key characteristics-

1. Competence
2. Business savvy
3. Ownership outlook
4. Time availability to do the job properly.

All current directors have these characteristics and closely abide with the company’s governance and conflicts policies (published on website). Two new independent directors were appointed in last year.

Q6 – Are supply chain disruptions affecting the operations.

Answer – Supply chain disruptions are not really impacting, and the current inventory levels are in a good position for the upcoming season.

Resolutions all passed, although the three resolutions to re-elect directors received against votes ranging from 24.6% to 27.2%.

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