



<b>Company</b>	Hills Ltd
<b>Code</b>	HIL
<b>Meeting</b>	AGM
<b>Date</b>	24 November 2021
<b>Venue</b>	Online
<b>Monitor</b>	Cynthia Loh assisted by Malcolm Keynes

<b>Number of attendees at meeting</b>	82
<b>Number of holdings represented by ASA</b>	32
<b>Value of proxies</b>	\$53,000
<b>Number of shares represented by ASA</b>	395,223 shares
<b>Market capitalisation</b>	\$31.3 m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair and CEO

## A refreshing change

It was a solid meeting. Full of information about Hills and its business, the new board's vision for the company and the re-alignment of company with its business strategy and planning.

The new chair, David Chambers was the first to speak . He spoke for about 20 minutes, recapitulating the contents from his letter to shareholders for the year ended 30 Jun 2021. He also provided information on some recent business developments in the new FY and expressed confidence in the new approaches being adopted by the new executive team to deliver sustained rev-

enue and earnings growth. Importantly, he assured shareholders that the new board and management are working together in applying their full energy to position the company on the road to recovery and growth.

The full text of the Chairman's speech is found here: <https://app.sharelinktechnologies.com/announcement/asx/7d998674a1805ae84d9f3ee981b44a3b>

The (also) new CEO, David Clarke, spoke for about 35 minutes. He provided a comprehensive account of Hills business model and product offerings which we (the monitors) found quite refreshing as we had never quite understood it before. He elaborated on his business strategy and areas of focus for FY22. In particular, we were encouraged by his insightfulness in focusing on people and governance and how this was going to be achieved by two key management personnel, the Chief Financial Officer and the Chief People and Culture Officer, reporting directly to him.

The full text of the CEO's speech is found here: <https://app.sharelinktechnologies.com/announcement/asx/bacaf66915f1c82f44676b6a957edd5a>

The two new directors, Janet Muir and Peter Steel spoke to their respective elections. Between them they bring a wealth of relevant qualifications, experience and skills in business strategy, planning and development to the board.

The last NED to speak is also the only remaining member from the old board. As the chair of the remuneration committee, he provided a logical rationale to justify the structure of the new executive remuneration before introducing the remuneration report.

There were a few questions/comments from shareholders. Among them was the annually repeated question of when the ten-year long value destruction of Hills was going to end.

The ASA asked two questions:

1. How were the losses in foreign exchange incurred and what steps were taken to prevent future recurrence?
2. If the company receives approval and decides to issue additional securities, how would the company ensure that retail shareholders are given fair and equitable treatment?

It was another refreshing experience for us - that the CEO would answer our first question with such candour and the second with such strong assurance, even using the opportunity to commend ASA for the role it plays in protecting shareholders' interests.

The meeting left us feeling encouraged for shareholders. We felt that we were dealing with a united Hills team (comprising the board and executive management singing from the same page), made up of skilled and experienced professionals who believe they can, and are determined, to turn the company around.

The necessary skills that were sought are now available, the governance and business structures have been re-aligned and new business strategic and growth plans in place. The only thing left is to wait for the delivery on this major renewal.

We will await with anticipation the next set of results from Hills Ltd. And on behalf of the shareholders we represent, we can only cheer the two Davids on as they continue in their quest to return the company to profit.

All the four resolutions at the AGM were carried with at least 92% of the votes in favour.