



Company	Pact Group Holdings
Code	PGH
Meeting	AGM
Date	13 November 2019
Venue	3/658 Church St, Cremorne VIC
VICMonitor	Mike Robey for Hans Ha

Number attendees at meeting	17 shareholders, 18 visitors and a sprinkling of employees
Number of holdings represented by ASA	34
Value of proxies	\$841,000
Number of shares represented by ASA	0.327m
Market capitalisation	\$960m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with legal counsel/ Company Secretary Jonathon West, IR Fiona Zafirakis and Anita

Refurbished business in refurbished factory setting

The AGM was held in the new offices of Pact, a renovated factory in the Richmond area, close to the hub of the Incubators and start-ups of Melbourne. The Chairman and CEO both gave [teleprompter assisted speeches](#), which in the context of a small audience of about 35 was a tad formal. There was also a [short presentation](#).

Absent from the Chair's speech was the messy business of a massive plunge in the share price to an all time low, a \$290m loss and negative 50% TSR for the year. The new CEO (as of March 2019) was quite open about this since it is his job to develop a strategy to address this. Your ASA monitor also raised the poor business performance in comments to the financial report and asked if the Board had done a review of their acquisition strategy to assess if these were too many and too quick. The response was candid; yes, there were some which weren't as we had expected, but we should await the strategic review, due in February 2020, for a complete analysis.

We were the only questioner, so requested that in the event of a new capital raising, in order to support the strategic review outcomes, would Pact commit to a PAITREO process. The answer was yes.

Our questions about the remuneration report went to the all cash nature of the STI, the 3-year term of the LTI, the fact that the LTI was only assessed on relative TSR and did not appear to have a hurdle on negative absolute TSR. We asked them to review this, which they took as a comment!

This we will follow up during the coming year.

The re-election of Ms Cattermole and Mr Geminder (the largest shareholder and Chair) were accompanied by speeches, which in part apologised for the dreadful performance in the past year.

We commended the Board on the diversity in both gender and ethnic background.

One key take-out from the discussion after the AGM was that the company is in a good position to benefit from a growing concern with recycling in the community and Government ranks. Pact is the largest recycler and both the CEO and Board members see this as an opportunity, albeit are wary of the profitability. Pact's principal service customers here are companies wishing to close the recycling loop with their product packaging. Two of the visitors were Freehills Lawyers, investigating the AGM process, and the interaction with retail shareholders, so we should get a guernsey in their internal report.

All resolutions passed with 97% or more approval.

Rating of nibbles: 9/10. Great choice of dainty hot and cold hors d'oeuvres, catering to GF and V tastes as well as the mainstream. Best of the season so far.