



<b>Company</b>	REA Group
<b>Code</b>	REA
<b>Meeting</b>	AGM
<b>Date</b>	17 Nov 2020
<b>Venue</b>	Virtual
<b>Monitor</b>	Proxy collector Mike Robey

<b>Number attendees at meeting</b>	Unknown
<b>Number of holdings represented by ASA</b>	83
<b>Value of proxies</b>	\$7.0m
<b>Number of shares represented by ASA</b>	50,146
<b>Market capitalisation</b>	\$18.2b
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	No

### **Pandemic, what pandemic? REA grows in spite of it all**

The Chair and CEO speeches are given [here](#).

These were the usual well put together summaries of all the business units which was largely a recap of the annual report. They added a small section on ESG for the first time which drew questions on the conflict of the REA position and News Corp's purported climate change denier position.

Mr Dowling spoke to his re-election and actually gave some detail about what contributions he had made during the year, which was a refreshing public performance review.

Questions from the ASA were about:

- Doubling down on the Elara Indian investment, which has been destroying both goodwill and cash for the past three years (ca \$366m lost in goodwill for the Asian businesses in 3 years and Elara losses growing every year). The answer was all about the potential but included no discussion of the financial risks.
- The issue of adding a make-up provision for new CEO performance rights, given the unlikely success of the prior two year's LTIPs. Our position was that if these were 4 or 5 year, then there was more time to overcome and besides, missing the opportunity for prior

LTIs to vest was just bad luck. Answer, this is a high-speed business and results are usually known quickly, within three years. Quickly obviously does not apply to overseas investments!

- Why there were significant against votes (other than ours) on the issue of the performance rights (also asked by Stephen Mayne)? Answer was that one proxy advisor was against.

Stephen Mayne asked a number of questions about potential conflict of interest between the REA position and their parent News Corp, in the area of climate change, as well as conflicts between two of their directors who were chairs of sporting associations (Cricket Australia and Rugby Australia) with significant spend with competitors to News Corp, or with News Corp. In the most part these were batted back stating that this was a matter for News Corp and not REA, but the chair hinted he will discuss his Rugby Australia chairmanship with this board, to test for any conflicts.

Results were mixed for the four resolutions put to the meeting. There were significant votes against both of the performance rights issues, of around 16%, apparently largely from one proxy advisor, who concurred with us. There was also a significant protest vote (about 16%) against the re-election of Mr Dowling, who is also CEO of Jellis Craig, a real estate business. We voted for him, as we feel having a real estate specialist is useful for an online business which serves them. The other resolution was the remuneration report which received 98.9% for, including us.

All submitted questions appear to have been asked, even if relevant only to News Corp, so there was no obvious editing, but the Chair was clearly in a hurry, and instructed the company secretary at one point after only about 10 minutes into question time to check for questions “in the interests of time”.