



Voting Intentions – SEEK 2021 AGM

ASX Code	SEK
Meeting Time/Date	4pm, Wednesday 17 November 2021
Type of Meeting	Hybrid, https://web.lumiagm.com/317391816
Monitor	Mike Robey assisted by Stewart Burn
Pre-AGM Meeting?	Yes, with Chair Graham Goldsmith and Rachel Agnew Company Secretary

Proposed Voting Summary

2	Adoption of Remuneration Report	Against
3a	Re-election of Graham Goldsmith as a Director	For
3b	Re-election of Michael Wachtel as a Director	For
3c	Election of Andrew Bassat as a Director	Against
4	Grant of one Equity Right to the Managing Director and Chief Executive Officer, Ian Narev for the year ending 30 June 2022	Against
5	Grant of Wealth Sharing Plan Options and Wealth Sharing Plan Rights to the Managing Director and Chief Executive Officer, Ian Narev for the year ending 30 June 2022	Against
6	Leaving Benefits Approval	For

Key Financials

	2021	2020	2019	2018	2017
Statutory NPAT (\$m)	752.2	(121.2)	180.3	53.2	340.2
Underlying NPAT (\$m)	104.9	(111.7)	180.3	53.2	340.2
Statutory EPS (cents)	41.7	21.89	21.16	21.81	16.91
Dividend per Share (cents)	20	13	46	46	42
Share Price at End of FY (\$)	33.14	21.89	21.16	21.81	16.91
Statutory CEO Remuneration (\$)	5.87*	4.0	8.0	3.56	14.2
Total Shareholder Return (%)	53.2	4.0	-3.0	27	11.6

*Statutory NPAT and EPS are the audited figure from the financial accounts. Underlying NPAT is (usually) an unaudited figure used in management presentations or commentary. Total Shareholder Return is calculated as the share price change over the year plus the dividend declared during the year, divided by the share price at end of previous year. This may differ from the figure quoted by the company. * includes \$335K in unused annual leave entitlements, and using an accounting amortization method for determining option and rights value.*

Summary of Historical ASA Issues with the Company

See under remuneration, for the concerns we have with the structure.

Review of Board on Governance, Transparency, Fairness to Retail Shareholders

Positives

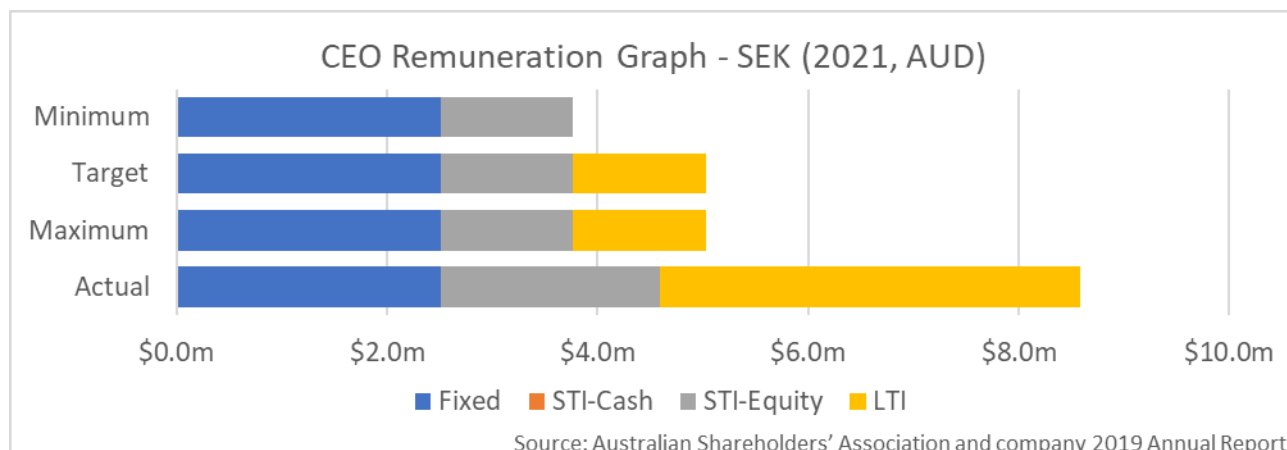
- The Board has an independent non-executive Chair and majority of independent directors.
- The Board has at least 30% female and at least 30% male directors with diversity of geography, age, and ethnic background.
- Directors and other key management personnel (KMP) have invested at least one year's worth of base cash fees in company shares, within 3 to 5 years.
- The company has a second sustainability report, incorporating the newly established Growth Fund with key material risks identified and a target for emission reduction, namely net zero emissions by 2030. They identified a further three unsustainable development goals (SDG) and have promised more detailed reporting in the coming years according to the Task Force on Climate-related Financial Disclosures (TCFD) framework, on progress in the emissions reduction. They have established cross company processes to manage them.
- The company discloses a meaningful skills matrix of the board easily accessible by shareholders.

Areas for Improvement

- The former CEO and founder, Andrew Bassat has been appointed to the Board immediately after stepping down as CEO. This is the subject of a shareholder resolution at this meeting. This would only be considered suitable in exceptional circumstances, since it leaves the new and just-retired CEOs sitting on the same Board. We do not judge the circumstances to be sufficiently compelling to require he join the Board.

Items for Voting

Item 2	Adoption of Remuneration Report
ASA Vote	Against



Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Actual reflects the vesting of both the prior year's equity rights and the 2019 WSR's. The statutory remuneration uses accounting measures for both Equity rights and WSRs.

Positives

- The total quantum of the statutory CEO remuneration package does not reasonably exceed the Godfrey Remuneration Group report benchmarks.
- The quantum of Board fees does not reasonably exceed the Godfrey Remuneration Group report benchmarks.

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- At least 50% of CEO's pay is genuinely at risk, with short-term incentive (STI), if any, less than fixed remuneration.
- No termination payments exceed 12 months fixed pay.

Areas for Improvement

- CEO's actual take-home remuneration, as well as the target and maximum opportunity of each component is not clearly disclosed in full, in part because of the complication of having an options component. The Wealth Sharing Plan (WSP), their version of a long-term incentive (LTI) component is reported as both an accounting provision and at face value.
- Equity grants (the STI equivalent) are subject only to employment continuity but are computed on a 60-day VWAP face value.
- All share grants are allocated at face value not fair value, but the LTI structure has an award of 50% options and 50% share rights, with fair value for the options.
- Vesting in a takeover or "change of control" events is at the discretion of the Board.

Conclusion on Remuneration

In recent years SEEK has, because of a remuneration strike in 2019 and further significant 17% against vote in 2020, tweaked its remuneration structure. It remains, however, sufficiently outside our guideline parameters on several fronts. The Equity Grants, a sort of STI, are not at risk, except following the departure of the KMP. The LTI is a combination of options and share rights, which is subject only to the 3-year hurdle of SEEK beating the 15-year compound annual growth (CAGR) of the ASX All Ordinaries. In the current year to date the All Ordinaries has risen about 16%, but the 15-year CAGR is 3.3%. This illustrates that the hurdle can be met in certain circumstances which are not under the control of the Executive. So, in years when the All Ordinaries has a bull run and the 3-year CAGR significantly exceeds the 15-year average, vesting of the LTI may occur. There is also no independent balancing financial measure, which would give shareholders the confidence that the business has outperformed the market.

The Chairman defended the Equity Grants approach in lieu of an STI, since his observation was that in some instances this has led companies to "ridiculous" short termism. He also defended the WSP by stating that it has not paid out in excess of what a straight TSR plan might have in recent years but didn't address the merits of including hard financial measures.

We prefer to see a structure which demonstrably shows outperformance against peer companies, which has no pay-out if shareholder return is negative and uses rights which are based on the face value of the shares. For these reasons, on balance, we will once more not be supporting this remuneration resolution.

Item 3a	Re-election of Graham Goldsmith as Director
ASA Vote	For

Mr Goldsmith has a long background in merchant banking with Goldman Sachs and was formerly Chancellor of Swinburne University. He has two philanthropic foundation positions and a directorship at Djerriwarrh, a listed investment company. He is also the Chairman of two of the Board committees of SEEK, namely the Remuneration and Nominations and is a member of the Audit committee. He is not overloaded and devotes considerable time to this Board. He was appointed to SEEK in 2012 and has been Chairman since 2019, so will step over our guideline of a maximum of 12 years Board membership during this term. We raised this at our pre-AGM discussion and received the response that two of his colleagues are well placed to take over if

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necessary. We think that the coming few years with the SEEK Growth fund will bring additional complexity to the business and welcome the experience Graham brings. For these reasons we support his re-election

Item 3b	Re-election of Michael Wachtel as Director
ASA Vote	For

Michael Wachtel, aged 66, has been a Non-Executive Director since September 2018. He is Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee. He was the former Chairman (Asia Pacific & Oceania) of Ernst & Young (EY). He is currently a Board member of the Future Fund, Pact Group Holdings Ltd and St Vincent's Medical Research Institute. Michael holds a Master of Laws, has completed the Harvard Business School Executive Program in 2011, and is a Fellow of the Australian Institute of Company Directors and is a Certified Tax Adviser. We do see him as overloaded and view his background of value to SEEK. We will support his re-election.

Item 3a	Election of Andrew Bassat as a Director
ASA Vote	Against

Andrew is the founder of SEEK and was the CEO since the start for 23 years until the start of this Financial Year. He was the visionary of the business and has been instrumental in developing it into a world leading online job seeker company. He will also become Executive Chairman and CEO of the newly established SEEK Growth fund. The issue with appointing him to the Board is the 23 year long shadow he will cast over the newly appointed CEO Mr Narev, which we think is an unhealthy power structure and may not lead to the best outcomes for shareholders. Since he remains in the company in his new role, he is still accessible to the new CEO. For these reasons we will not support his election to the Board.

Item 4	Grant of one Equity Right to the Managing Director and Chief Executive Officer, Ian Narev, for the year ending 30 June 2022
ASA Vote	Against

For the reasons we discussed in the remuneration report, we do not believe that a grant of rights without any performance hurdle is good practice. We will therefore not support this resolution

Item 5	Grant of Wealth Sharing Plan Options and Wealth Sharing Plan Rights to the Managing Director and Chief Executive Officer, Ian Narev, for the year ending 30 June 2022
ASA Vote	Against

For the reasons we outlined in the discussion under remuneration, we do not support the issue of long-term incentives, solely on the basis of absolute share price gains. For background the share price for which the award vests at 50% is \$34.40 (for 60-day VWAP) and reaches 100% at \$36.64. The share price as of the date of writing this is \$33.10, up from \$29.71 in the past month. The

volatility of both the market and the SEEK share price makes this long-term target fluky. For all these reasons, we will not support this grant.

Item 6	Leaving Benefits Approval
ASA Vote	For

We understand this to be necessary for the Board to pay leaving benefits for overseas stationed staff if they leave SEEK employment. These benefits get captured under Australian law, which requires shareholder approval. The resolution gives the board flexibility to “do as the Romans do” in these international labour marketplaces and pay leaving benefits according to local laws and practices. While it is a catch-all resolution we will support it and monitor for fairness in its use in the future.

Monitor Shareholding

The individual(s) (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

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