



<b>Company</b>	Viva Energy Group
<b>Code</b>	VEA
<b>Meeting</b>	AGM
<b>Date</b>	Monday 6 July 2020
<b>Venue</b>	Virtual Meeting at <a href="https://agmlive.link/VEA20">https://agmlive.link/VEA20</a>
<b>Monitor</b>	John Whittington

<b>Number attendees at meeting</b>	14 shareholders/proxyholders plus 84 visitors (visitor number may include shareholders who didn't vote online)
<b>Number of holdings represented by ASA</b>	21
<b>Value of proxies</b>	\$420,880
<b>Number of shares represented by ASA</b>	238,459
<b>Market capitalisation</b>	\$3.49bn
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair Robert Hill, Company Secretary Julia Kagan, and Chief People & Technology Officer Amanda Fleming

**A well-run virtual meeting with an impressive director standing, pity they fobbed off most of the questions...**

Participating in a virtual AGM at the moment is a bit of potluck. Some meetings, or parts of meetings, are good, and some (many) are not so good. The Viva meeting was no exception. Perhaps prompted by ASA suggestions, they covered off many of the problem areas of some recent virtual AGMs with aplomb. Even with the Chair in Adelaide and the CEO in Melbourne, both directors standing for election (one in Singapore) could be heard and seen clearly giving an excellent case for why they should be a director. Indeed, non-executive director Jane McAloon gave probably the best such presentation for any company this monitor has seen.

The Chair also covered potential problem areas such as the 20 second transmission delay and what would happen if technical problems occurred – something that should be part of every such meeting but is the first time this monitor has seen it done. Also, we believe that all questions were asked (ie none omitted), and all were asked verbatim, naming the questioner, something that is usual at a normal AGM but has been lacking in most virtual AGMs to date.

It has been tough times for Viva recently. Having floated at \$2.50 in 2018, shares have spent most of their time considerably below this, getting as low as \$1.20 in March before bouncing back to ~\$1.80 now. It seems that the IPO occurred at a perfect time for the sellers with the refining margin – a key profit driver for the business – at a cyclical high, so profitability has been dropping ever since. And recently, Covid has provided further challenges with volumes down as much as 73% in jet fuel and 30-40% in retail fuel. Both the Chair and the CEO covered these topics in [their presentations](#) with the CEO giving a particularly good display of his understanding of the details of the business.

Perhaps not unusual in a company with current problems, both highlighted a future “Energy Hub” proposal they have made for their Geelong refinery. This would see the possible development of an LNG regasification facility (ie to import LNG directly into the Victorian grid), the construction of additional crude and fuel storage to support the government’s objective to establish a national strategic oil reserve, and even possible solar and gas power generation plants and hydrogen manufacturing. Whether any of this sees the light of day or is just a distraction to the current poor market conditions, we will see in future years.

Some downsides of a virtual AGM were not however solved. Many questions were fobbed off by either being answered tangentially or selectively and, with no ability of the questioner to follow up highlighting what had been missed or asking for more detail, that left the fundamental question unanswered. How we handle this trend is a challenge monitors will have to address in the months ahead.

Whilst, as outlined in the ASA voting intentions, the ASA did not support the remuneration report or the issue of performance rights to the CEO (mainly due to poor disclosure and too short a performance period) all resolutions were passed with at least 99% support.