



<b>Company</b>	Adairs
<b>Code</b>	ADH
<b>Meeting</b>	AGM
<b>Date</b>	26 October 2020
<b>Venue</b>	Virtual meeting using Link platform
<b>Proxy Collector</b>	John Whittington

<b>Number attendees at meeting</b>	Unknown
<b>Number of holdings represented by ASA</b>	20
<b>Value of proxies</b>	\$1.487m
<b>Number of shares represented by ASA</b>	402,010
<b>Market capitalisation</b>	\$653m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	No

### Good Impressions from a Strongly Performing Retailer

Adairs is a homeware retailer that increased sales and profitability this year despite COVID-19 and enforced store closures for between five and eight weeks, by having a strong online capability which performed extremely strongly. And this strong performance has continued up to the AGM with further year-on-year growth.

The chair, addressing his last AGM, gave a strong and comprehensive presentation outlining how the company responded to COVID-19 as well as the path forward as an omni-channel retailer. He was followed by the CEO who also gave an impressive and thorough presentation on the company's performance and plans.

There seemed to be only questions from two people, one shareholder and the ASA. Shareholder questions were about the new distribution centre (broadly on time and on budget with benefits more likely to be an improved customer experience rather than working capital benefits) and overseas expansion (no present intentions).

ASA asked about what the CEO had learnt about risk management from the COVID-19 "black swan" event (importance of flexibility, good team culture, working closely with suppliers), when the current auditor had been appointed (nearly ten years ago), audit tenders (none mentioned but indicated they would review soon), and non-audit work this year (to do with Mocka acquisition).

With regard the re-election of a director (a former CEO) we also asked about independent directors, as the company does not have majority of them, and diversity (currently only 25% female) to which the chair indicated that he wasn't that concerned, thought there were a good mix of skills, and that this was related to the history of the company.

When we realised that the director standing for re-election was not going to speak, we asked a question, but this was not asked until the end of the meeting by which time most would have voted. This highlights one of the ongoing problems of delays in virtual meeting systems. The ASA also asked about how the Remuneration Committee kept their independence from the management and this was answered very well by the Chair of the Remuneration Committee who will be acting Chair of the board following the AGM.

Other items covered in the meeting were equity grants to the two executive directors and two routine items on "financial assistance" (for the acquisition of Mocka) and the renewal of proportional takeover provisions.

There was a significant vote against the election of Mr Maclean (23% against) and the remuneration report (20% against) with no reason given to the meeting however there was strong support (99+%) for all the other items including the equity grants to the executive directors.