

## HARVEY NORMAN LTD 2023 AGM report

ASX code	HVN
Meeting date	Wednesday 29 November 2023
Type of meeting	Physical: listen live by phone but cannot comment or vote
Monitor	Allan Goldin
Pre AGM-meeting	None

### Meeting Statistics

Number of holdings represented by ASA	49
Number of shares represented by ASA	307,532
Value of shares represented by ASA	\$1.15m
Total number attending meeting	11 shareholders, 8 Corporate proxies, 5 3 <sup>rd</sup> party proxies, 9 guests, 2 non-voting shareholders = 35 Total
Market capitalisation	\$4.9 Billion
ASA open proxies voted	ASA voted against all the resolutions except for Gerry Harvey and Ms. Luisa Catanzaro's re- election

Unusual location in Olympic Park, chosen to celebrate Harvey Norman Western Sydney heritage.

A contrast in styles with the "Executive Chairman" being his usual abrupt, brash, take no prisoners style; No candidates for re-election allowed to address meeting -limit two questions per meeting for ASA representative and responses of "it is because it is!". Greatest passion shown when he talked about the property portfolio and the substantial success there and even greater opportunities.

On the other hand, the CEO, besides adding clarification and reasoning to some of the Chair's curt responses to questions, continually demonstrated her passion for the retail operations as well as demonstrating both an understanding and compassion for the considerable financial pressures that younger/ middle-aged consumers are facing. She explained the rationale behind the major push into Malaysia where four new stores were recently opened with the intention to have over 50 stores there within 4 years. She also noted that in Australia, in some regional areas that are even being deserted by the banks, Harvey Norman is there supporting the local community.

Due to the lack of independent Directors, Mr. Ken Gunderson-Briggs, a 20-year veteran of the board, is the Chair of all subcommittees. Even this ridiculous governance shortcoming does not explain his huge Non-Executive Director \$641,448 salary. The explanation given is, as Chair of the Audit& Risk he had considerable extra duties this year. Despite being asked, they did not outline what those extra duties were and how much extra he was paid.

Prior to the meeting the ASX was notified that Aggregated Sales revenue for July 1, 2023 to November 25, 2023 was down 7.8% against the same period last year, despite this year's result being positively affected by favorable exchange rates.

81.83% of shareholders voting joined ASA in voting against the remuneration report. One of the key problems with the Remuneration structure was that in 2023 the gateway was reduced, compared to 2022, as a lower result was expected, thus ensuring bonuses would be paid. With the current figures tracking behind last year the Board refused to answer if the 2024 gateway has been lowered further.

The Chair said "the Company was in a very difficult situation at the moment. The biggest problem we've got is that our costs are going through the roof. Wages, power costs, anything you can think of. Saying that ... Black Friday was better than I thought it would be – when comparing ourselves with last year, we performed very well."

No guidance as usual was given, but Mr Harvey told the meeting that it was a "guarantee" one day the share price would be \$7.00 a share, but until then just hang on.

Despite this confident assertion, there was no indication of if or when a share buy-back would commence.

As normal, the ASA representative was subject to a personal attack and on a number of occasions insulted and called names, as this is par for the course with Mr. Harvey, it was not a surprise, however the atmosphere was friendlier than previous years with ASA eventually being allowed to ask a number of questions and there was some more or less normal banter. For the first time in years the Company Secretary even happily supplied the attendance figures.

Resolution 8 was withdrawn as Mr David Ackery has announced his intention to resign from the Board after 18 years. Aside the massive vote against the Remuneration Report, and the 20% and 5.6% votes against Mr Chris Mentis and Mr. Gerry Harvey respectively, the rest passed with the usual 98+%.

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