

Bapcor 2024 AGM Report

ASX code	BAP
Meeting date	Wednesday, 16 October 2024
Type of meeting	Hybrid
Monitor	Steve van Emmerik
Pre AGM-meeting	3 board members (Mr Mark Powell (Lead independent director), Ms Kate Spargo, CEO/Chairman Angus McKay & Investor relations Karen McRae

Meeting Statistics

Number of holdings represented by ASA	37
Number of shares represented by ASA	264,404
Value of shares represented by ASA	\$ 1.34 million
Total number attending meeting	Approximately 20 in person and online unknown
Market capitalisation	\$1.68 billion
ASA open proxies voted	ASA voted against all the resolutions apart from resolution 5 The Grant of the Performance Rights to the Chairman/CEO

Monitor Shareholding: The individuals involved in the preparation of this voting intention have no shareholding in this company.

Past acquisitions have made the business complex and difficult to run effectively

Held as a hybrid meeting, it was run by the new Executive Chair/CEO Angus McKay. The outgoing Chair Margaret Haseltine played no part. The focus of the chairman's address was largely on the outlook and plans for the future.

ASA asked six questions/sets of questions and these questions/summarized answers, are shown below:

Q1. The large write down of I believe approximately \$253 million dollars, of which \$191m is impairment of intangible assets, presumably reflects the poor quality of past acquisition decisions. What was written off? When were these assets purchased? Who is/was responsible and what consequences are there for these decisions?

Answer: The amounts largely related to the original Autobarn acquisitions from 2005.

Q2. The "Better than Before" strategy involved paying McKinsey Consultants about \$32 million dollars and presumably also took up a lot of management and board focus. Now that the money has been spent and McKinsey have left it appears the strategy has been abandoned. What specific outcomes were achieved? Who is responsible and what consequences are there for those responsible?

Answer: The business had more complexity than expected which made it difficult to identify and implement the recommendations. Angus McKay (CEO/Chair) said he accepted responsibility (ASA comment - this is difficult to understand given he was not at Bapcor when this occurred - but a board is continuous).

Q3. ASX Corporate Governance Council Recommendations and ASA Voting guidelines states. "The roles of chair and chief executive officer should not be exercised by the same individual." Why have you gone against this guideline?

Answer: It was difficult to obtain an appropriate CEO given the lack of an incoming Chair. We expect the role be temporary lasting 2-3 years.

Q4. What are the underlying operational issues that has led to poor performance and what is the plan to address them?

Answer: We are looking to cut costs and focus on areas of growth.

Q5. We are pleased to see KMP and Directors buy shares after questions about previous lack of purchases at last years AGM. We do note however that the pattern of purchases only occurring after bad news occurs and share prices drop does leave Bapcor open the impression that KMP and Directors avoid purchasing shares when they may have knowledge that not all is well within Bapcor. Will the remuneration Committee Chair meet with me following this meeting to discuss possible improvements in this aspect of the remuneration plan.

Answer: Yes we're happy to discuss. ASA note – This discussion did take place.

Directors spoke to their election or re-election and were re-elected. All motions were carried but there was a 32% vote against the sign on rights for new Chairman/CEO Angus McKay. There were also 12-13% votes against the Performance Rights and Termination Benefits for Mr. McKay.

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