

Richard White is sorry, but he is still the key man

ASX code	WiseTech Global/WTC
Meeting date	Friday 22 November 2024
Type of meeting	Virtual
Monitor	Allan Goldin and John Lin
Pre AGM-meeting	Chair Richard Dammary, Fiona Pak Poy Chair, People & Remuneration and Ross Moffat Head of Investor Relations

Meeting Statistics

Number of holdings represented by ASA	52
Number of shares represented by ASA	34,429
Value of shares represented by ASA	\$4.23m
Total number attending meeting	765 attending online 36 of them voting
Market capitalisation	\$46 billion
ASA open proxies voted	ASA voted in favour of all the resolutions except the remuneration report and grant of share rights to exec. director Maree Isaacs.

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

From a corporate governance view the most important matter was released just before the meeting Update on Board Review. The next important governance issue was the Chair announcing that next year's AGM will be a hybrid, although ASA believes it could have happened this year.

The share price suffered a fall when it was announced that the previous guidance was cut by between 5.6 – 7.3%. Which means EBITDA will be \$660-700m, with margin 50-51%. This was because there was a delay in the launch of a major new improvement: the Container Transport Optimisation. This was blamed on the media speculation distraction and the resulting change in the CEO's role. When asked why a month's turmoil caused more than a 6-month delay, we were told it was because it happened at a critical time in the development. So, despite a strong 14-member management team and 3,500 employees Richard White is still a crucial link.

At the same time profit will be boosted with FY25 updated target of \$50 million in annual run rate savings. This involves extracting acquisition synergies and streamlining processes, and removing duplication,

The Chair also said that he and the two new independent Directors will be receiving an exertion allowance due to the considerable extra work the turmoil of the last two months and the ongoing changes will require.

The Chair said it is easy to look at a Founder-led firm and assume that it should be governed in the same way as a large bank, insurance company or utility. Baseline standards are always not negotiable. However, we should also acknowledge that there is no one way to govern an organisation, and “fit for purpose” governance is an important concept.

In response to a question if the imposition of tariffs particular on China will affect their revenue and operations. The acting CEO responded that the CargoWise software can easily handle this change.

Richard White responded to a question that he would continue to sell down shares in an orderly controlled manner but would remain the major shareholder for a longtime.

ASA believes that remuneration structure is not focused on long term and is centred on the issuing of free equity which if the share price (currently on a PE of 160 times) falls substantially could affect morale more than normal, however less than 2% of those voting agreed with us. All other resolutions passed with 99%.

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