

## Endeavour Group Limited AGM Report

<b>ASX code</b>	EDV
<b>Meeting date</b>	Wednesday, 13 November 2024
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Don Adams and Julieanne Mills
<b>Pre AGM-meeting</b>	Yes, with Chairman: Ari Mervis, NED: Joe Pollard, Investor Relations: Robert Wruck, and Anna Collins

### Meeting Statistics

<b>Number of holdings represented by ASA</b>	333
<b>Number of shares represented by ASA</b>	2,680,754
<b>Value of shares represented by ASA</b>	\$11.47m
<b>Total number attending meeting</b>	599 (191 in-person and 408 online)
<b>Market capitalisation</b>	\$7.66bn
<b>ASA open proxies voted</b>	ASA voted <b>against</b> Resolutions 2a (election of Ari Mervis) and 3 (Remuneration Report) and <b>for</b> Resolutions 2b and 4 as described below.

*Monitor Shareholding: The individuals involved in the preparation of this AGM report have shareholdings in this company.*

The meeting was well attended and, after an excellent welcome to country, started with addresses from the Chair, Ari Mervis and CEO, Steve Donohue. The text of the addresses may be found at <https://www.endeavourgroup.com.au/investor-relations/asx-announcements>. Unfortunately, the slides accompanying the addresses have not been made available on the website. The address by the departing CEO Steve Donohue was particularly well received.

We had not been impressed with the new Chair in our pre-AGM meeting and were hoping that he might reveal more about his vision for Endeavour in his address. We were disappointed with what he had to say and consequently voted the ASA proxies against his election to the Board.

ASA voted for the other new director, Peter Margin. Further, Endeavour had announced two new directors will be added to the Board once they have cleared probity checks. One is Penny Winn who has a strong background in retail and good board experience with major companies. The other is Peter Hardy who will not be an independent director since he is the nominee of the Bruce Mathieson Group, Endeavour's largest shareholder. Peter has a long history of experience in the business but no apparent Board experience. The announcement of their appointments is available at the web link above.

Questions were pretty much as one would have expected. We had expected questioning about the ethics of poker machines. This had occurred in past meetings. Also at the Nine Entertainment AGM a few days earlier there had been a barrage of questions about gambling advertising. The only question about gaming was that, if gambling revenue is a large part of the business, how exposed were Endeavour's profits to possible future tighter regulation. Ari Mervis dodged the question as has been Endeavour's approach to questions about gambling profits in the past.

There were concerns expressed about the declining share price, whether Endeavour should follow the example of Coles and merge Dan Murphy's with BWS (no because they have different market positioning) and what were the long-term plans to become independent of Woolworths.

When it came to the Remuneration Report the ASA stated that it intended to vote against adopting it for the reasons stated in our Voting Intentions. That is, we thought eliminating the responsibility metric from LTI in favour of a financial measure sent a poor signal. Ari Mervis did not address the issue but answered by saying that, out of the five main proxy advisers, the ASA was the only one to raise the issue. It was clearly an attempt to belittle the ASA.

The final resolution was the usual grant of authority to the Board to issue shares to the CEO if and when his performance rights vest. The first three resolutions passed with a vote over 97% but for this last resolution the vote was less than 75%. This is surprising since it is a technical procedural motion, and consequently we assume that a large shareholder wanted to send a negative signal about Steve Donohue.

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