



Company	Treasury Wine Estates
Code	TWE
Meeting	AGM
Date	16 October 2019
Venue	Intercontinental Hotel, San Francisco, USA & MCEC, South Wharf, Melbourne
Monitor	Rod McKenzie & Sue Shields

Number attendees at meeting	105 shareholders plus 34 visitors
Number of holdings represented by ASA	357
Value of proxies	\$11.3m
Number of shares represented by ASA	630,000 (outside top 20 holders)
Market capitalisation	\$24 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Paul Rayner & Company Secretary Fiona Last

Does the San Francisco AGM location suit Aussie shareholders?

The AGM was held in San Francisco and simulcast to the Melbourne audience. The process worked well enough but there were quite a few jumps in the video and occasional jumps in the dialogue. It was estimated there were approximately 120 people in the Melbourne venue and possibly fewer than 20 in the US venue. It was noted that no questions were raised from the US audience.

The chair summarised the results covering what has been a very strong year for the company. CEO Mike Clarke detailed his “premiumisation” strategy as this has been a key driver of improved company performance over the past couple of years. This has been achieved through the focus on better quality wines, an acquisition in France and the expansion of a luxury vineyard in the Barossa. The premium wines accounted for 69% of net sales revenue in FY19.

A question was raised from the floor regarding sustainability including water use and supply. The chair outlined the use of drought resistant root stock and the greater diversity of supply was used to alleviate supply issues. He referred to the recently published sustainability report available on the website.

The move to annual elections for all directors was explained by the chairman. This is seen as a governance improvement going forward. It is noted that TWE is the first non-dual listed ASX company to adopt annual elections.

Ms Cheang, was the only director to address the meeting. Ms Cheang is a Hong Kong resident and was only recently elected to the TWE board.

Stephen Mayne questioned the high turn-over of CFOs in the company. The chair outlined the reasons for the changes which included a retirement, a resignation and one CFO moving to a new role. Mayne questioned share sales by the CEO, the move to yearly director elections and succession planning. These issues were covered by the monitor in the pre-AGM meeting. Mayne also questioned TWE's pricing power and advertising of alcohol at sporting events.

ASA spoke regarding the remuneration report and outlined our reasons for an against vote. The key reasons were there is a 3-year performance period rather than the ASA preferred 4- or 5-year period and there is no table of actual remuneration. We also spoke to the issue of performance rights to the CEO for the same reason – the 3-year period is seen as being too short. The chair stated that the company was unlikely to change their remuneration structure.

All resolutions were passed with greater than 95% votes in favour.

The subject of the CEO's share sales to cover his tax obligations received coverage in the financial sections of local papers.