



Company	Tabcorp Holdings Limited
Code	TAH
Meeting	AGM
Date	24 October 2019
Venue	Amora Jamison Hotel, Jamison St, Sydney 2000
Monitor	David Jackson representing Michael Muntisov

Number attendees at meeting	Total 190 with 159 voting
Number of holdings represented by ASA	419
Value of proxies	\$15.9m
Number of shares represented by ASA	3.3m
Market capitalisation	\$9.8bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Paula Dwyer & others

Resolutions passed but all with substantial against votes

The meeting was well conducted by the Chair, Paula Dwyer with adequate opportunities for questions. In addition to the elected directors, David Gallop was present as a director in waiting for regulatory approval.

The results included the first full year the Tatts acquisition. Comparing results with the previous years as shown in the 5-year summary was, therefore, of little value. However, it was noted that both Wagering & Media Business & Gaming Services Business had lower earnings (in terms of earnings before interest tax depreciation and amortisation). Nevertheless, both the Chair and the CEO, David Attenborough were enthusiastic about the future with the CEO indicating it has been a year of 'heavy lifting'.

The recent media exposure of the cruelty to retired racehorses in Queensland was mentioned by the Chair. As one would expect the company is actively engaged with the enquiry and was shocked by the revelations and had 'a zero tolerance approach to animal cruelty'.

The WA government has put out to tender the franchise for the WA TAB, Tabcorp will be bidding.

The ASA representative questioned why the political donations amounting to \$258,00 were not shown in the Annual Report (AR) & was only found after searching in the separately available Corporate Governance statement. The Chairman was reluctant to commit to including in the AR as it was 'sensitive'. The very reason it should be included. The ASA followed this up with the Company Secretary after the meeting as it appeared he had decided not to include reference in the AR. Its inclusion next year will be considered.

Other questions concerned the Board renewal and the length of tenure of some directors and their independence. This was partly the reason for the very high against for Paula Dwyer, 35%, who indicated she would retire in 2021. It was also reported that Zygmunt Switkowski will retire in 2020. Justin Milne was the other director seeking re-election and received a 20% against vote, perhaps due to his sacking of the CEO at the ABC.

The ASA voted for the remuneration report following last year's first strike as some improvements have been made to the structure. A proxy adviser was still not satisfied resulting in a 15% against vote. The ASA indicated further improvements were needed particularly to the long-term incentive (LTI) period measure to over 3 years. It should be 4 or more in line with some other companies and the Hayne recommendations. It was also suggested the reward for relative average performance was too generous. The ASA may reconsider its vote next year if further improvements are not made.

The second part (25%) of the LTI concerned savings to be made as result of the merger of at least \$130m pa in 2021. In response to an ASA question the Chair confirmed that the savings would be closely monitored and the auditors would be involved in the process.

The resolution to approve the CEO's grant of performance rights received a very substantial against vote of 37%, a further indication of the level of dissatisfaction with the soft remuneration hurdles.