



<b>Company</b>	Viva Energy Group
<b>Code</b>	VEA
<b>Meeting</b>	AGM
<b>Date</b>	Thursday 23 May 2019
<b>Venue</b>	Melbourne Convention and Exhibition Centre
<b>Monitor</b>	John Whittington

<b>Number attendees at meeting</b>	40 shareholders and proxy holders plus 30 visitors
<b>Number of holdings represented by ASA</b>	30
<b>Value of proxies</b>	\$0.979m
<b>Number of shares represented by ASA</b>	451,033
<b>Market capitalisation</b>	\$4.3b
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chairman Robert Hill

### The first meeting for a new/old company

This was Viva's first AGM as a public company following its initial public offer (IPO) last year so there was some uncertainty prior to the meeting – how many would turn up, what issues would be raised, etc. The company however is effectively Shell Australia which has been around for a hundred years.

Following a welcome to Country by an elder from Geelong where Viva have their refinery, the Chair, ex politician and minister Robert Hill, gave an outline of the performance and issues for the year followed by a more detailed presentation by the CEO Scott Wyatt ([address](#) and [presentation](#)). These highlighted how the weakness in regional refining margins (down from US\$10.2/barrel (bbl) in 2017 to US\$7.4/bbl in 2018 and US\$3.90 in January and February 2019) led to prospectus targets not being met, and how changing the agreement with Coles Express should lead to higher volumes and market share (which had declined significantly over the past few years due to Coles pricing policy) in the future.

ASA raised the issue of refining margin and the sustainability of the Geelong refinery which is relatively tiny compared with others around the world. The Chair and particularly the CEO provided an excellent response highlighting that the refinery produced half of Victoria's fuel, still made \$125m earnings before interest, tax, depreciation and amortisation (EBITDA), and makes a

lot of unique products (eg Avgas, fuel which cannot be used for sniffing in outback communities, etc) which adds \$4/bbl to the margin.

As it was the first meeting of a new company, shareholders had to approve the auditor. We were glad to hear that Viva had conducted an audit tender in 2017 and the audit partner was changed at the time but disappointed that they had not considered the possible conflicts of interest in having the same auditor as was used by the company selling Viva Energy shares into the IPO. For this reason alone, we voted against the appointment of the auditor, but the resolution was passed with over 99% support.

For the reasons outlined in our voting intentions, we voted against the remuneration report and issue of options to the CEO, but both of these were passed with over 99% support.

We supported both directors standing for election but expressed our concern about the level of their shareholdings. The Chair received over 99% support and the nominee director of 45% owner Vitol only receive 90% support.

The only questions other than from ASA were from two shareholders concerned with the pricing of Shell fuel. It was highlighted that this should become more competitive now that Viva, rather than Coles, is responsible for it.

Following the meeting, plenty of nice food and coffee/tea was provided, and executives stayed around to talk to shareholders.

The detailed results of the meeting can be [downloaded here](#).