



Company	Webjet
Code	WEB
Meeting	AGM
Date	22 October 2020
Venue	Virtual; Lumi platform
Monitor	Mike Robey assisted by Jason Cole

Number attendees at meeting	unknown
Number of holdings represented by ASA	40
Value of proxies	\$1.232m
Number of shares represented by ASA	312.7k
Market capitalisation	\$1.356b
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair Roger Sharp and Don

Travel in the doldrums, faint breezes evident

Chairman Roger Sharp and CEO John Guscic speeches are given [here](#).

The presentations outlined the challenges of the entire travel industry and the relatively good position that Webjet and WebBeds hold in the revival they fully expect. The run up to Covid had been a record year on all measures, and the decline an equally record contraction. They covered the cost reduction initiatives, capital raising and their optimism in the future of travel. Green shoots of domestic travel can be seen in both parts of Europe, New Zealand and parts of Australia where there remains large pent up demand and they predict industry consolidation across the globe, to the advantage of WebBeds as the No.2 biggest suppliers of hotel beds to the industry. They also point to an acceleration toward online travel, in which they hold the No 1 market position in Australia and NZ.

They outlined the need for retention of key staff who have become a flight risk (when the rest of us can only dream of flights) until the arrival of a vaccine upon which international travel is predicated. This proved to be a contentious point during the AGM as your ASA monitor had voted against the long term incentive of the CEO, which we felt was a gimme for the CEO and staff, since the target share price targets on which it was built were set at a low point in the market and the plan was already in the money within days, for the coming two years of awards.

As is the case with many AGMs, it is the ASA which speaks its mind about such matters but in this matter we were not alone, as the against vote was 32% as it seems that two large proxy advisors felt the same way. This vote required 50% to succeed, so was passed in any event with no change.

All other resolutions passed with over 98% approval.

The financial press picked up some of the fireworks, with the Financial Review headline “Investors blast Webjet over CEO bonus package”.

The virtual meeting was low budget, with only voice links to the speakers. Incoming Directors both talked to their re-election and it appeared to be truly International, as the Chair was in NZ, the CEO somewhere in Europe and the other Directors presumably in Melbourne. The excellent presentation by the CEO Mr Guscic was illegible on the screen (screen real estate too little, detail too high) and in hindsight could have been provided as an attachment. The ASA had asked a pre-emptive question at the start of the meeting, that in the event of a significant against vote, would the Chairman give some background, but although agreed to, this didn't occur. This was done because it is impossible to ask a comeback question on a contentious issue. This virtual meeting illustrated the shift of control toward the chair that accompanies this format, when compared with face-to-face. Questioners get 500 characters to state their concern and speakers get whatever it takes of voice time to address/rebut and there is no comeback. At least the media is taking notes and keeping the process fairer!