

The Lottery Corporation 2024 AGM report

ASX code	TLC
Meeting date	Tuesday, 1 October 2024
Type of meeting	Physical with webcast (pre-submitted web questions only)
Monitor	David Loosemore assisted by Alison Prentice and Christine Haydon
Pre AGM-meeting	With Chair Doug McTaggart and Remuneration Chair Harry Boon

Meeting Statistics

Number of holdings represented by ASA	154
Number of shares represented by ASA	1,283,667
Value of shares represented by ASA	\$6.5m
Total number attending meeting	113 attendees
Market capitalisation	\$11.4 billion
ASA open proxies voted	ASA voted in favour of all the resolutions

Monitor Shareholding: The individuals involved in the preparation of this voting intention may have a shareholding or beneficial interest in this company.

Following an acknowledgement of Country, the Chairman, and CEO delivered comprehensive presentations (available [here](#) via weblink) on the company's performance and prospects for the upcoming year. Key highlights included:

- Record revenue, EBITDA and NPAT boosted by higher jackpots during the year.
- Targeting the total shareholder return in the top quartile of companies in the S&P/ASX 100 (other than Metals & Mining and Oil & Gas sectors).
- Improvements to the remuneration arrangements.
- TLC holding the highest level of accreditation in the World Lottery Association Responsible Gaming Framework.

Three Directors were up for election or re-election and spoke to the meeting outlining what they believed they would contribute to the Board and TLC. All motions were passed.

Directors Alignment with Shareholders

ASA noted that we value Board members having a significant personal investment in the company and Director Megan Quinn's shareholdings appear to be relatively low compared to Board remuneration. The Chairman confirmed that is going to be addressed under the Board's policy to increase Directors' shareholdings, demonstrating alignment with shareholders' interests.

Board Skills Matrix

The ASA prefers that the Board skills matrix (p8 Corporate Governance Statement) identifies the skills and experience of individual directors. ASA noted that the matrix was upgraded from two to three categories but individual directors are not identified.

The Chairman responded noting that the matrix was discussed by the Board during the year and they were concerned that identifying all individual Directors strengths in the matrix would imply that they were individually responsible for aspects of TLC when the Board is collectively responsible as a whole. But they ensured that the strengths and experience of Directors up for election or re-election were clearly outlined and that was as far as they were prepared to go at present. However, it may be an area for future consideration as governance expectations evolve.

Shareholder Engagement

The AGM saw limited formal shareholder participation, which is unusual for an S&P/ASX 100 company with a substantial retail investor base:

- Three questions from the Australian Shareholders' Association (ASA) on the floor
- Two pre-submitted online questions addressed

AGM Format and Accessibility

The ASA raised concerns about the meeting format:

- Annual rotation of AGM location (Sydney, Melbourne, Brisbane)
- Absence of live online questions or voting during the meeting

When questioned about the lack of online participation and the possibility of adopting a hybrid meeting format, the Chairman cited cost considerations and historically low online question volumes as reasons for the current format.

Constraints on Shareholder Queries

- The deadline for online question submissions was one week before the AGM.
- Two-question limit per agenda item
- The Chairman emphasised repeatedly that questions should be relevant to specific agenda items or resolutions

Post-AGM Feedback

Some attendees approached the ASA after the formal proceedings and said they wanted to ask general questions about TLC's business and direction but felt constrained by the agenda structure.

This feedback was shared with the Chairman. He indicated willingness to review the process and consider changes to encourage more shareholder questions at future AGMs.

Conclusion

The current format raises questions about the effectiveness of TLC's shareholder engagement strategy at the AGM. To address these concerns and facilitate broader participation, the company may need to reassess its approach to future meetings, potentially considering:

1. Implementing a hybrid meeting format
2. Extending the deadline for online question submissions closer to the meeting
3. Creating opportunities for general business queries within the AGM structure
4. Balancing cost considerations with the need for comprehensive shareholder engagement

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