

Accent Limited 2024 AGM Report

ASX code	AX1
Meeting date	Thursday, 21 November 2024
Type of meeting	Hybrid
Monitor	Chris Lobb
Pre AGM-meeting	With Chair David Gordon, People and Remuneration Chair Lawrence Myers, Group CFO/COO Matthew Durbin

Meeting Statistics

Number of holdings represented by ASA	58
Number of shares represented by ASA	1,017,299
Value of shares represented by ASA	\$2.4m
Total number attending meeting	121 attendees (31 in person, 89 on-line)
Market capitalisation	\$1.3 billion
ASA open proxies voted	ASA voted in favour of all the resolutions except those mentioned below (i.e. Items 2 -Remuneration Report and items 4a and b – Variations to Tranche 6 and Tranche 7 Performance Rights)

Monitor Shareholding: The individual (or their associates) involved in the preparation of this report has no shareholding in this company.

A well-chaired meeting by long standing Chair David Gordon allowed a good discussion on a range of issues. The Company also provided a market update which confirmed trading conditions remained very competitive in the current period with a reduction in margins as a result. The share price took a dive on the basis of this update but has now recovered. Ongoing store expansion remains a key objective. Further details can be found in the [AGM Address -Chairman and CEO](#)

In terms of remuneration, we queried the STI strategic objectives set in 2024 against an uplift in incidents reported via their Sustainability Paper 2024 in terms of Health and Safety. That is, there was no direct strategic objective tied to safety outcomes in FY24. The Chair took to review this as part of their STI non-financial objectives for FY25.

As in previous AGM's the Chair strongly canvassed their position on a single LTI measure – Earnings Per Share (EPS), on the basis that it is a simple measure that Executives can observe daily via their mobile devices. This results in an effective motivating incentive to drive better performance. He did receive shareholder support from the floor and on-line for this approach and the Remuneration Report received a 98% "for" vote.

From ASA's perspective, his argument has some merit but there remain too many issues that do not reflect ASA guidelines for us to vote in favour of the Remuneration Report. Some examples being the generous fixed salary increases to KMP (13.3% CEO and 7.7% for the CFO), a single LTI measure and no disclosure of actual take home pay.

Similarly following the testing of FY21 to FY24 (Tranche 5) Performance Rights, with no vesting occurring, the Board sought shareholder approval to vary the existing vesting conditions for the FY22 to FY25 (Tranche 6) and FY23 to FY26 (Tranche 7) performance rights by lowering the benchmarks set. The concern being that these vesting conditions were no longer achievable and therefore failed to meet the basic objective of incentivising key executives. We noted such LTI's are "at risk" components of their remuneration and should only be varied in exceptional circumstances. We did not support their variation and voted "against" as did a number of other shareholders, with a 43% "against" vote being recorded against both of these resolutions.

In terms of director election or re-election all candidates (3) received the required majority with one director however, Anne Loveridge, recording an unusually high 19% "against" vote. We were advised subsequently this may have to do with her former partner position at PwC, which is also the Company's recently appointed auditor.

It was also announced at the meeting that the new substantial shareholder (14%), the Fraser Group, a UK-based retail company, would have a representative on the Board. Mr Dave Fossey, a longtime associate, being the newly nominated director. He will face shareholder election at the 2025 AGM. The Company was very receptive to this nomination given his extensive retail experience.

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