



ShareSoc

UK Individual Shareholders Society

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To all BAE Shareholders

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BAE Systems AGM Report - Olver's swansong disrupted by political activists

Yesterday BAE Systems held its Annual General Meeting in a converted hangar in Farnborough - the location of the company's headquarters of course. There were probably about 300 shareholders present, but as many as a third of them seemed to be protestors unhappy with the company's activities – and mainly of the view that weapons kill people and the company should be a lot more careful about what they sell and who they sell them to. There were also a large number of security staff and some members of the national press present.

The meeting commenced with a promotional video for the company ending with the slogan "inspired work", followed by Chairman Dick Olver giving a thirty minute speech on the progress of the company and the issues it faces. As the company is already looking for a successor, this seemed to be a rather valedictory oration justifying his stewardship of the company and went on rather too long for my preference, even though he seemed keen to rush through it toward the end.

During Mr Olver's oration he was continually interrupted by noises, coughing and expletives from some shareholders present (at least I presume they were shareholders to enable them to get into the meeting but I doubt if they had any significant financial interest in the company as they were almost all young, and many of them female). It would appear to have been an organised demonstration. I did suggest to the Chairman that they be removed but he carried on after giving them a mild warning.

He gave the protestors a second warning at the end of his speech, and then a third warning and security staff removed the worst protestors at this point and thereafter.

Ian King, the CEO, then gave a short review, but there seemed not to be a single piece of new information in that or the Chairman's speech. Neither was there anything new of significance so far as I could see in the Interim Management Statement issued on the day (an "unchanged outlook" in essence, the Salam contract still not concluded and the impact of US defence cuts still uncertain).

Questions were then taken from the audience but these were dominated by "politically focussed" questions such as an attendee who wanted to give the Chairman a "whitewash" award for producing "killing machines" (I think he was going to throw something at the Chairman but was blocked by security staff before he got near). Another asked about the change of venue (was it to avoid awkward questions? Answer: No), will drones be displayed at the Excel event, about gender equality in Saudi Arabia and the company's continuing to do business there, and others.

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After over 30 minutes of this and no questions apparent from real shareholders (and more attendees being removed – up to 8 in total), I suggested to the Chairman that he adjourn the meeting but he did not do so. I therefore left the meeting as it was clear that it was serving no useful purpose. I will have to write to the Chairman to put the questions I wanted to put.

I will also be giving him some suggestions for his successor on how to turn the meeting into a purposeful event for real shareholders, not a platform for political protestors to make points. For example, shareholders with nominal shareholdings might be only allowed a limited number of questions.

Now let no one assume that I object to shareholders, who have real concerns about the activities of a company in which they are invested, raising any issues they care to at AGMs. But such meetings are for shareholders with an economic interest in the company and should not be turned into a bun fight. The Chairman also has the duty and responsibility to keep good order for the benefit of all attendees, which he signally failed to do. As it was many genuine shareholders had no doubt travelled long distances to attend a meeting which turned out to be utterly pointless.

So if Dick Olver thought that he was going out on a high note, he was certainly mistaken.

A fuller report on this meeting is present on the ShareSoc Members Network here: <http://sharesoc.ning.com/forum/topics/the-agm-forum?commentId=6389471%3AComment%3A22824>

Summary

It is apparent that our campaign on this company has had some impact and we would encourage those readers who have not yet become a Member of ShareSoc to do so and help to support our activities. Click on this web link for more information: www.sharesoc.org/membership.html or call 020-8467-2686.

Otherwise thanks for your support. We are unlikely to send out further information on this company as it is clear that Dick Olver is standing down soon and the EADS merger is unlikely to be revisited. So we will consider the campaign concluded unless other issues arise.

Yours sincerely
Roger Lawson
Chairman

More background information about the campaign on the BAE Systems campaign is present on this web page where further news will be posted as it becomes available:
www.sharesoc.org/campaigns4.html