

## Scentre Group 2022 AGM report

<b>Company</b>	Scentre Group
<b>Code</b>	SCG
<b>Meeting</b>	AGM
<b>Date</b>	5 April 2023
<b>Venue</b>	Wesley Conference Centre
<b>Monitor</b>	Sue Howes assisted by Allan Goldin

<b>Number attendees at meeting</b>	NA
<b>Number of holdings represented by ASA</b>	237
<b>Value of proxies</b>	\$5.7m (equivalent to the 16 <sup>th</sup> largest shareholder)
<b>Number of shares represented by ASA</b>	2,020,003
<b>Market capitalisation</b>	\$14.6 billion
<b>Were proxies voted?</b>	On a poll. ASA voted in favour of all the resolutions except those mentioned below.
<b>Pre AGM Meeting?</b>	With Chair Brian Schwartz, Ilana Atlas (Director, HR Committee), Elliott Rusanow (CEO), Melinda Dolph (Head of Rewards and Benefits) and Maureen McGrath (Company Secretary)

The CEO said that the calendar year has started well with 16% or 17 million more visits when compared to the same 13 weeks in 2022. Total business partner sales for January and February this year are 17% higher compared to 2022 and 10% higher than 2019.

Cash collections for the first three months of the year were \$663 million, \$78 million higher than the comparable period in 2022.

Unit holders were happy to hear that distributions are expected to be at least 16.50 cents per security for 2023, representing at least 4.8% growth for the year.

The ASA voted all undirected proxies received for the tabled resolutions with the exception of the election of Mr McCann to the Board. This was opposed on the basis of:

- calibre, given his past performance, which Mr McCann, in his address, indicated as his main qualification for the Board role, and;
- skillset, given the existing makeup of the Board.

The Chair outlined the extensive process undertaken by the Board to ensure the entire Board was satisfied Mr McCann was suitable and outlined the property experience it believes Mr McCann brings to its deliberations.

The big news of the AGM was the retirement of the Chair from the Board. Mr Schwartz will retire in September and be replaced by Ms Atlas. We view Ms Atlas as a good choice.

We view the Board as currently too large and questioned this. It seems more likely that the size will reduce with retirements rather than replacing to the current number.

We questioned the company as to its strategy regarding debt levels and CAPEX given the current economic environment. We see this as the biggest risk for the organisation. While retail revenues remain buoyant, it is unlikely that this will continue, and the company is running a significant level of debt with tranches due to be refinanced or repaid over the coming years. Unfortunately, we did not receive an answer.

Significant discussion occurred around the retention payments to the previous CEO and non-disclosure of his intention to retire (an event that did not trigger a reduction in the retention payment whereas resigning would have) at the time the retention payments were disclosed. The Board have made it clear that it will not be revisiting retention payments again.

All resolutions passed received 90% plus for votes with the exception of the allocation of rights to the CEO, which received 86% for. Voting results can be found here:

[https://newswire.iguana2.com/af5f4d73c1a54a33/scg.aspx/2A1442083/SCG Results of Annual General Meeting](https://newswire.iguana2.com/af5f4d73c1a54a33/scg.aspx/2A1442083/SCG%20Results%20of%20Annual%20General%20Meeting)

Chair and CEO speeches can be found here:

[https://newswire.iguana2.com/af5f4d73c1a54a33/scg.aspx/2A1442040/SCG Chair CEO Address](https://newswire.iguana2.com/af5f4d73c1a54a33/scg.aspx/2A1442040/SCG%20Chair%20CEO%20Address)