



Company	Scentre Group
Code	SCG
Meeting	AGM
Date	7 April 2022
Venue	Hybrid 220 Pitt St Sydney
Monitor	Sue Howes assisted by Mary Fifita

Number attendees at meeting	42 security holders (including proxies) and 125 visitors
Number of holdings represented by ASA	251
Value of proxies	\$6.9m
Number of shares represented by ASA	2.21m (equivalent to 15th largest holder in Top 20 list)
Market capitalisation	\$15,883m – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with Chair Brian Schwartz, NED Andrew Harnos, CEO Peter Allen, CFO Elliott Rusanow and Company Secretary Maureen McGrath

One difficult situation to another

The AGM had poor physical attendance, likely due to the extreme weather, with some joining online.

Last year this company came under fire for their remuneration plan changes. To their credit they have worked diligently with stakeholders to pull together a plan that should work well into the future and attracted a 95.6% for vote.

Other resolutions received at least 95% for, except Mr Schwartz's re-election, just short of 95%, and the election of Ms Brenner, which attracted an 18% against vote. ASA voted open proxies against her election and CGI Glass Lewis had recommended an against vote to its clients, which should send a clear message that past history needs to be addressed.

The key issue for the ASA was the suitability of Ms Brenner for this role given her history as Chair of AMP at the time of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. Steven Mayne also had a question on this. The Chair indicated that these questions, other than a summary provided by him, would not be taken at the meeting as they had already been addressed in a pre-AGM meeting the ASA had with the Chair and Ms Brenner.

We find this very disappointing for the following reasons:

- Other shareholders were not at this meeting and therefore did not have the benefit of these answers. The AGM is the only opportunity that shareholders have to question the company;

- When offered the meeting we responded “We would like to accept this invitation on the understanding that the ASA will ask the same or similar questions at the AGM, with a view to a response at that time from Ms Brenner, as this is an important issue that our members and others at the AGM would benefit from airing.”
- We did not find the answers provided in our meeting to be compelling.

Our questions regarded lessons learned from AMP and skills brought to the Board not covered by other directors.

The Chair gave a summary re the first as: complexity of company, culture is important and maybe should have moved sooner. To the second financial literacy, school of hard knocks and being younger than the rest of the Board.

We find the first answer wanting for the following reasons:

- Regarding the issues at AMP where the Commonwealth Director of Public Prosecutions found that no criminal charges should be brought for the conduct, which saw customers without a financial adviser (i.e. service) charged fees for financial advice, but we expect directors and governance of a higher standard.
- In our opinion, these issues arose from poor culture, failure of audit processes, failure of risk processes and a failure of governance to ensure appropriate processes and reporting were in place and then manage the situation when it became a public issue. These are the lessons we were looking to have been learnt.
- The Board has earmarked Ms Brenner as next Chair of Audit and Risk.

We weren't overly impressed by the second answer either.

Mr Allen gave a brief speech on his retirement from the company and the incoming CEO, Mr Rusanow, addressed the meeting and indicated his focus on continuing the current strategy and profitability.