



<b>Company</b>	Dexus
<b>Code</b>	DXS
<b>Meeting</b>	AGM
<b>Date</b>	2pm, 19 October 2021
<b>Venue</b>	Online
<b>Monitor</b>	Mary Fifita

<b>Number attendees at meeting</b>	158 (86 registered security holders, 3 proxyholders and 69 guests)
<b>Number of holdings represented by ASA</b>	129
<b>Value of proxies</b>	Approx. \$7.2 million
<b>Number of shares represented by ASA</b>	684,626
<b>Market capitalisation</b>	\$11bn – on day of meeting
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair, Richard Sheppard and Executive General Manager, Investor Relations, David Yates

### First strike for Dexus

The key highlights of the Dexus AGM this year was a first strike against the Board for the remuneration report, withdrawal of the virtual meeting constitutional amendment resolution and the commandeering of Q&A by self-described shareholder activist, Stephen Mayne.

The protest vote against the Remuneration report was significant – 65.77% indicating that the majority of proxy advisors recommended against the resolution. The cause appears to be in line with the same reasoning ASA chose to vote against it; misalignment with shareholder interests due to the retention bonus components. Additionally, a ‘no’ vote of 30% was recorded for the FY22 LTI to the CEO. It appears that some proxy advisors recommended a vote against for the same reasons ASA highlighted in the Voting Intentions Report. Interestingly, the ‘no’ vote against the CEO LTI was from a total of 495 shareholders whereas the ‘no’ vote against the Remuneration report was from a total of 400 shareholders.

The re-election of the Independent Directors, Penny Bingham-Hall and Warwick Negus both attracted approximately 10% 'no' votes, indicating that at least 1 of the proxy advisors recommended against their appointments.

The day prior to the AGM, the Board withdrew Resolution 4 – Adoption of New or Amended Constitution, which included a provision to allow virtual-only meetings in future. The Chair advised that the matter was withdrawn as the intent was to provide greater flexibility to shareholders to attend meetings. However, the wording left open the possibility that Dexus could hold virtual-only meetings, which some securityholders objected to.

Despite the shareholder rejection of the remuneration report, the business has managed to pull through the pandemic well. The focus on repositioning the portfolio via capital recycling and increasing their Funds Management business helped counter pressures on the office asset class caused by the pandemic and lock downs. Dexus has demonstrated resilience in its earnings and valuations for the FY21 having achieved a 3% distribution growth and 3.5% valuation uplift. On the ESG front, the Chair advised that Dexus has brought forward net zero emissions targets from 2030 to 2022.

ASA asked two questions:

1. Given the CEO has been with the company for 9 years, what is the justification for requiring a 3-year retention bonus of \$3.5 million. What sort of succession planning is taking place? and;
2. ASA takes issue with the requirements for awarding the 20% strategic bonus as these measures are more in line with average satisfactory performance of one's role and should be included in fixed remuneration. What is the justification for this?

In response to Q1. the Chair advised that the retention bonus was deemed fit for 3 main reasons:

- The business has performed well under the CEO's leadership – distributions have increased every year since 2012 except 2020, and the portfolio size and FUM have increased also.
- The market is hot and many private businesses are trying to poach good staff.
- The board collaborated with unit holders to assess whether they should try to retain the key executives and that this was supported.

In response to Q2. the Chair advised that many of the criteria required under the 20% strategic bonus impact the way the company will perform over the next decade and are therefore relevant to long term performance and in line with shareholder interests.

For the remainder of the meeting, the questions directed at the Dexus Chair included a significant portion from Stephen Mayne. The line of questioning from Mr Mayne included several that were unrelated to Dexus's operations, such as issues relating to gambling, Crown Casino and Treasury Wine's overseas operational structures. The Chair handled the questions well and confined answers on irrelevant matters to keep the meeting on track.

Initially the Chair incorrectly assumed that Mr Mayne was representing the ASA. This was clarified immediately after the meeting with the Chair and Head of Investor Relations with a comment that Mr Mayne and his views are not from the ASA nor are they representative of the ASA.

### Summary of Resolution Voting & Results

	Resolution	ASA Vote	Final Result
<b>Item 1</b>	Adoption of the Remuneration Report	<b>Against</b>	<b>Rejected</b> - 1 <sup>st</sup> strike 65.77% against
<b>Item 2</b>	FY22 grant of long-term incentive performance rights to the Chief Executive Officer	<b>Against</b>	<b>Passed</b> 69.84% for
<b>Item 3.1</b>	Approval of an Independent Director – Warwick Negus	<b>For</b>	<b>Passed</b> 90.83% for
<b>Item 3.1</b>	Approval of an Independent Director – Penny Bingham-Hall	<b>For</b>	<b>Passed</b> 89.87% for
<b>Item 3.1</b>	Approval of an Independent Director – Tonia Dwyer	<b>For</b>	<b>Passed</b> 96.60% for
<b>Item 4</b>	Adoption of new or amended constitution	<b>Against</b>	Withdrawn prior to AGM