

## Voting Intentions – Growthpoint Properties Australia 2021 AGM

ASX Code	GOZ
Meeting Time/Date	4.30pm, Monday 22 November 2021
Type of Meeting	Virtual <a href="https://web.lumiagm.com/303222882">https://web.lumiagm.com/303222882</a>
Monitor	Chris Lobb assisted by John Whittington
Pre AGM Meeting?	Yes, with Chair Geoff Tomlinson and Virginia Spring, Investor Relations

### Proposed Voting Summary

2	Adoption of Remuneration Report	For
3(a)	Election of Deborah Page as a Director	For
3(b)	Re-election of Geoffrey Tomlinson as a Director	For
3(c)	Re-election of Estienne de Klerk as a Director	For
4	Grant of FY22 LTI Performance Rights to Managing Director Timothy Collyer	For
5	Grant of FY22 STI Performance Rights to Managing Director Timothy Collyer	For
6	Reinsertion of proportional takeover provisions-Company	For
7	insertion of proportional takeover provisions - Trust	For

### Key Financials

	2021	2020	2019	2018	2017
Statutory NPAT (\$m)	553.2	272.1	375.3	357.7	278.1
Statutory EPS (cents)	71.7	35.3	52.9	53.5	42.7
Distribution per Security (cents)	20.0	21.8	23.0	22.2	21.5
Share Price at End of FY (\$)	4.07	3.20	4.12	3.61	3.14
Statutory CEO Remuneration (\$)	2.009	2.038	2.175	2.436	2.141
Total Shareholder Return (%)	34.0	-17.7%	21.0%	22.3%	6.3%

Statutory NPAT and EPS are the audited figure from the financial accounts. Underlying NPAT is (usually) an unaudited figure used in management presentations or commentary. Total Shareholder Return is calculated as the share price change over the year plus the dividend declared during the year, divided by the share price at end of previous year. This may differ from the figure quoted by the company.

### Summary of Historical ASA Issues with the Company

Board composition and succession has been discussed regularly. Three directors from the South African controlling entity are board members, having first been appointed in 2009. Given the

holding of 62%, this representation is to be expected. Mr Jackson has also been an independent director since 2009 and is expected to step down prior to his re-election falling due in 2023. The Chairman advised a replacement with a similar skill base (property valuer) is being sought. Gender diversity has also been an issue and currently sits at 25% female with 2 directors out of a board of 8.

**Review of Board on Governance, Transparency, Fairness to Retail Shareholders**

Positives

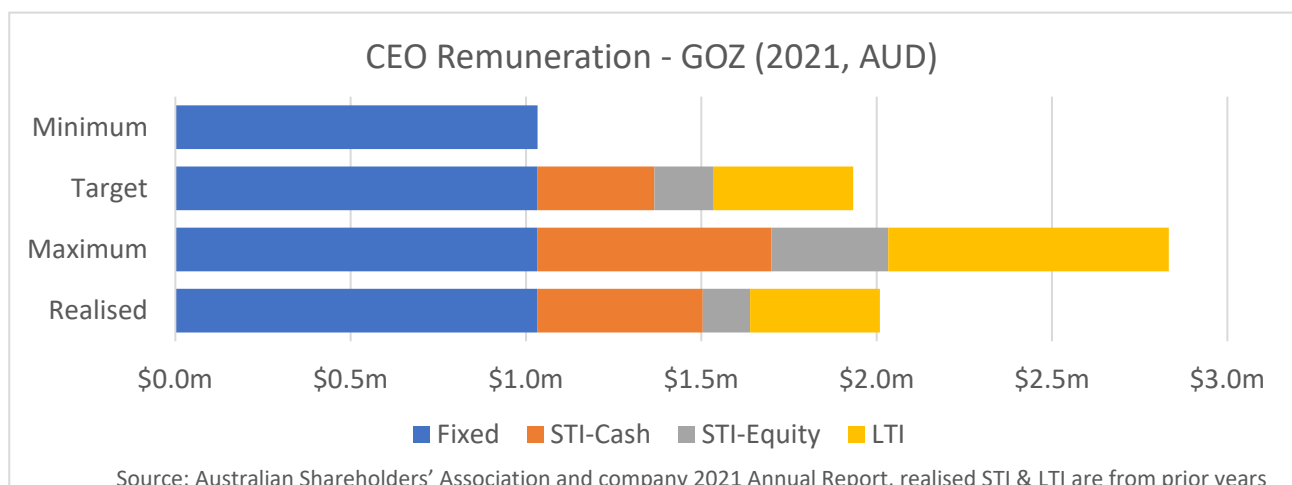
- The Board has an independent Non-Executive Chair and an equal number of independent directors.
- From 1 July 2018, under a company policy adopted, non-executive directors, the CEO and other KMP have/are investing a stipulated percentage of base fees or salary in company shares. This policy requires compliance by 30 June 2022 or within 4 years of their initial appointment or employment, whichever is the later. This ensures they have “skin in the game” in alignment with shareholders.
- The company meaningfully discloses ESG issues or risks facing business and the processes to manage them.
- The company discloses a meaningful skills matrix of the board easily accessible by shareholders by reference to its Corporate Governance Statement.

Areas for Improvement

- As noted above the board has only 2 female directors (25%) but is seeking to meet the at least 30% female and at least 30% male directors with diversity of geography, age, and ethnic background by way of future appointments.
- Ideally it would be preferable that the board consisted of a majority of independent directors but to date there has been nothing to suggest that the board does not act in the best interests of all shareholders.

**Items for Voting**

Item 2	Adoption of Remuneration Report
ASA Vote	For



Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting.

## Positives

- CEO’s actual take-home remuneration, as well as the target and maximum opportunity of each component is clearly disclosed.
- At least 50% of CEO’s pay is genuinely at risk, with short term incentives (“STIs”), if any, less than fixed remuneration.
- Majority of STIs are based on quantifiable and disclosed performance metrics and, where non-financial hurdles are used, no STIs to be paid unless a financial gateway is met.
- At least 50% of STIs is paid in equity with a minimum 12 month holding lock.
- Clear disclosure is provided for all Key Management Personnel (“KMP”) performance hurdles and the weightings applied for each incentive.
- Long term incentive (“LTI”) hurdles are based on at least two hurdles, one of which is TSR, with no payment if absolute TSR is negative.
- Comparator groups are from similar industries and include key competitors and any relevant foreign companies.
- No LTI awards based on comparator groups vest unless performance is >50th percentile.
- All share grants are allocated at face value not fair value.
- Hurdles are based on earnings are based on statutory earnings.
- No retention payment on any awards are subject only to continuing service.
- No termination payments exceed 12 months fixed pay.
- Overall, the Remuneration report is extremely readable, transparent, and understandable with a logical relationship between rewards and financial performance and corporate governance.

## Areas for Improvement

- LTI hurdles are currently measured for a period of 3 years, not the minimum of four years preferred by the ASA.
- Share grants are not satisfied by equity purchased on-market as they consider the number required as immaterial in terms of overall shareholder dilution.

## Conclusion on Remuneration

As captured above the company complies with the majority of ASA remuneration guidelines and reports these in a clear and transparent manner.

The ASA therefore proposes to vote undirected proxies in support of the remuneration report.

Item 3(a)	Election of Deborah Page as a Director
ASA Vote	For

Ms Page, an accountant by background, was appointed to the board in March 2021 to replace a retiring director. She has adequate skin in the game with an initial shareholding just short of the equivalent to 100% of her base fees and is independent. Her strong financial skills are being utilised as Chairman of the Audit, Risk and Compliance Committee and whilst on 3 other ASX listed company boards, her workload appears manageable.

For these reasons, the ASA proposes to support her election.

Item 3(b)	Re-election of Geoffrey Tomlinson as a Director
ASA Vote	For

Mr Tomlinson is a very experienced director, having first been appointed to the board in 2013. Since becoming Chairman in 2014 he has provided stability and strong leadership to the company. He has invested sufficient funds in company shares to have skin in the game whilst retaining his independence. He has no other listed entity directorships currently and is a member of two of the board committees. He has indicated he is willing and able to see out his tenure but equally will step down if the company wishes to further refresh its board at some stage.

The ASA supports his re-election.

Item 3(c)	Re-election of Estienne de Klerk as a Director
ASA Vote	For

Mr de Klerk has been a director of the company since 2009. He is currently CEO of the company's parent entity in South Africa. He has extensive experience in all matters relating to property and business more generally. He holds a substantial number of shares in the company in his own right and increased his shareholding during the year. In addition to his role of CEO of the parent he has other directorships and would not be considered independent under the guidelines set, due to his role with the parent company.

The ASA supports his re-election.

Item 4	Grant of FY22 LTI Performance Rights to Managing Director Timothy Collyer
ASA Vote	For

Please refer to the assessment given under item 2.

The ASA proposes to vote in support of this item.

Item 5	Grant of FY22 STI Performance Rights to Managing Director Timothy Collyer
ASA Vote	For

Again, for the reasons stated under item 2 above, the ASA supports this grant of Performance Rights to the CEO.

Item 6	Reinsertion of proportional takeover provisions-Company
ASA Vote	For

ASA supports such proposals on the basis it precludes a predator from only bidding for a proportion of shareholders' interests and not paying a premium for control of the company. ASA policy is to seek full takeover offers so that shareholders are not left with a minority holding of reduced value.

Item 7	Insertion of proportional takeover provisions - Trust
ASA Vote	For

Refer to comments under Item 6

### Monitor Shareholding

*The individual(s) (or their associates) involved in the preparation of this voting intention has a securityholding in this company.*

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