



<b>Company</b>	Growthpoint Properties Australia
<b>Code</b>	GOZ
<b>Meeting</b>	AGM
<b>Date</b>	Thursday 19 November 2020
<b>Venue</b>	Online using Lumi system
<b>Monitor</b>	John Whittington assisted by Chris Lobb

<b>Number attendees at meeting</b>	21 securityholders plus 31 visitors
<b>Number of holdings represented by ASA</b>	23
<b>Value of proxies</b>	\$679k
<b>Number of shares represented by ASA</b>	181,956
<b>Market capitalisation</b>	\$2.85bn
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair Geoff Tomlinson and Investor Relations Manager Virginia Spring

## Solid Performance Through Covid but Disappointing AGM

Growthpoint is a real estate investment trust (REIT) with a portfolio of predominately metropolitan offices (~68%) and industrial properties (eg warehouses, ~32%) throughout Australia. Despite COVID-19, Growthpoint's revenue was up 4% this year however net profit after tax was down 27% from last year. Growthpoint is 62% owned by Growthpoint Properties Limited, a South African based company and three people associated with that company are on the GOZ board.

The meeting was a rather disconnected affair with only audio plus slides and the only live voices being the Chair, the CEO, and the Investor Relations Manager acting as MC/moderator. The Chair and CEO gave [their presentations](#) which outlined the actions they had taken through COVID-19 and the strength of the Growthpoint property portfolio which has high occupancy (~96%) and long leases – indeed the weighted average lease expiry (WALE) increased during the year due to new long leases being signed. The directors up for re-election gave short, pre-recorded messages supporting their election but didn't respond to any questions so we don't even know if they were present at the meeting.

Surprisingly, but unfortunately all too common in recent virtual meetings, your ASA representative was the only one to ask any questions. We asked:

- For more transparency in the recruitment process for the new director to be appointed – to which a good outline was given.
- How the value of Growthpoint’s offices would be impacted given expected work life post COVID-19 – the Chair indicated they leased a lot of properties during the period and the increased WALE contributed to the valuation uplift; working from home is a longer term issue which no one has really addressed yet; also suburban offices are expected to benefit from an access/egress perspective given less floors and car parking options.
- About the minority of independent directors that the board will have following the resignation of Maxine Brenner at the end of November – they hope to have a replacement independent director in place by the end of the year to restore the current 50/50 balance.
- About the minority of independent directors that the board will have following Grant Jackson reaching 12 years on the board (and hence the ASA no longer considering him independent) – the Chair indicated that this will be Mr Jackson’s last term and they intend to recruit an independent director with similar valuation/property skills within that term.
- Non-executive director Josephine Sukkar about her workload – the Chair, not Ms Sukkar, answered this by complementing her capabilities and acknowledging she was a busy person adding “if you want to get a job done, give it to a busy person”.
- Ms Sukkar about her poor “skin in the game” after three years on the board – the Chair, not Ms Sukkar, also answered this indicating that he expects her to meet the company’s recently implemented director shareholding policy by the deadline of 2022.

Voting was mixed with strong 99%+ support for five items (including remuneration) and weaker 91-92% support for the remaining three. The ASA supported all items except the re-election of Ms Sukkar for reasons identified above.