

Dexus 2023 AGM report

ASX code	DXS
Meeting date	Wednesday, 25 October 2023
Type of meeting	Hybrid
Monitor	Pamela Murray-Jones assisted by Jonathan Goh
Pre AGM-meeting	With Chair Warwick Negus and NED Penny Bingham-Hall

Meeting Statistics

Number of holdings represented by ASA	98
Number of shares represented by ASA	667,812
Value of shares represented by ASA	\$4.47m
Total number attending meeting	321 (56 security holders and 265 visitors)
Market capitalisation	\$7.45 billion
ASA open proxies voted	ASA voted in favour of all the resolutions

A Surprise First Strike

There was a good turnout in-person at the Dexus AGM with many more security holders and visitors online.

The meeting was subdued, and no surprises were expected - that is until it came to the vote with an unexpected 29.8% of the proxy votes cast against the adoption of the Remuneration Report, meaning yet another first strike for the company.

Chairman Warwick Negus began by recognising the contribution of Patrick Allaway who retired as a director in March 2023, and then went on to outline the two-pronged strategy for Dexus. There was not much optimism for 2024, though the company is travelling as well as could be expected in the current global economic environment (see the [Chairman's presentation](#)).

The announcement that CEO Darren Steinberg would be stepping down in 2024 was not entirely unexpected given his 12 years in the role and there were only three questions on the reports. One regarded the development pipeline (largely on hold because of interest rates and the global economy) and another on how the company is dealing with Scope 3 emissions given the amount of concrete used in buildings.

The shock came when voting was declared open.

While there had been a massive first strike against Dexus in 2021, the problems identified had been rectified by 2022, bringing the Remuneration framework in line with results and shareholder expectations. The outcome in 2022 was the Remuneration Report was passed. Since the Remuneration framework remains largely unchanged from 2022, the change in sentiment is,

according to Chairman Warwick Negus, inexplicable and based largely on an ISS report that Dexus maintains is full of inaccuracies. According to Dexus, ISS had not sought any engagement before the release of their recommendations to check on the facts. However, the Chairman noted in the meeting that after the release, Dexus had sought meetings with ISS to correct the inaccuracies and were continuing to engage with ISS, and the institutional shareholders who are its clients, regarding perceived issues.

ASA made the only comment on the Remuneration at the AGM and that was regarding a preferred 50% deferral of the STI for two years. The Chairman commented that the ASA recommendation would be considered. It should be noted that Dexus has been very open in engaging with ASA and transparent in its response to questions.

All other resolutions were passed.

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