

Lendlease 2023 AGM report

ASX code	LLC
Meeting date	17 November 2023
Type of meeting	Hybrid
Monitor	Michael Batchelor, Peter Gregory
Pre AGM-meeting	With Michael Ulmer, Chairman; Elizabeth Proust, Chair Remuneration Committee; Wendy Lee, Company Secretary.

Meeting Statistics

Number of holdings represented by ASA	155
Number of shares represented by ASA	573,881
Value of shares represented by ASA	\$3.8M
Total number attending meeting	231
Market capitalisation	\$4.7B
ASA open proxies voted	ASA voted in favour of all the resolutions.

In their addresses the Chairman and CEO continued to underline the journey of transition that LLC was undertaking moving from a construction and development led company to an investment led company.

While all resolutions were passed a first strike was recorded against the remuneration report. Similarly, relatively large against votes of 34% were recorded against the re-election of Elizabeth Proust and Philip Coffey. The Chairman stated that, following discussion with major shareholders, the vote against the re-election of Proust and Coffey was not a reflection of their individual performance but rather a vote against the performance of the company. The Chairman also stated that the vote against the remuneration report was a vote against the share price performance rather than the structure of the remuneration model itself.

Clearly the business has not had a great year with the write down (due to retrospective defects liability warranties extending to 30 years in the UK) and the flat underlying results. Total shareholder returns have been negative for the last 5 years. Both the Chairman and the CEO reiterated that LLC's performance (statutory NPAT of minus \$232M) was disappointing. The Chairman also noted that, because of poor performance, the CEO's awarded STI was only 32% of the maximum award.

ASA's questions provided to LLC prior to the meeting, and a summary of responses, were as follows:

1. Could LLC provide an update on progress with recovery from other parties and the adequacy of provisions for the 30-year warranty period mandated by the UK government?
The provision was a gross provision against building defects constructed by a business

acquired in the mid 2000's. It is early in the process of recovery and up to 60 buildings are involved. The work is a detailed building by building process and LLC will continue to keep the market informed.

2. *Could LLC comment on the low margins and risks in the Construction business and its place in an "investment-led" business? Construction is globally a low margin business and construction projects are tackled in a way to minimise risk. The Construction business is integral to LLC's approach to win major development opportunities around the world.*
3. *Could LLC provide an update on the divestiture of its Australian communities and retirement businesses and its China-based retirement business? Recycling activities to redeploy capital to new investments continues. Sale of the Australian communities business is well advanced. The Australian retirement living business has been progressively sold down to the point where LLC now holds 25% and it operates those communities. It is in negotiation to sell its remaining 25%. Discussions are also well advanced to bring new capital into LLC's retirement venture in Shanghai. The market will be updated as progress advances.*

Other questions included whether LLC supported the Voice – it did to the tune of \$200,000 as a staff and community engagement initiative as part of its usual engagement activities; and, whether LLC had exposure to indebted Chinese developers including Evergrande and Country Gardens – it didn't.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document, it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.