

Shareholders asked to trust the 2024 Strategy update will deliver

Company/ASX Code	Lendlease Group/ LLC
AGM time and date	10:00am (AEDT) on Friday, 14 November 2025
Location	Lendlease, L13, Tower 3, 300 Barangaroo Ave, Barangaroo
Registry	Computershare
Type of meeting	Hybrid with online voting and questions
Monitor	Peter Gregory, Nathan Hood observing
Pre-AGM Meeting	With Chair, John Gillam; Company Secretary, Mary Weaver; Group Financial Controller, Kelly Wong; Michael Vercoe, Head of Investor Relations.

Monitor Shareholding: The individual involved in the preparation of this voting intention has a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2a	Election of Lianne Buck as a director	For
2b	Re-election of Margaret Lui as a director	For
2c	Re-election of Robert Welanetz as a director	For
3	Remuneration report	For
4	Approval of Allocation of Market-Priced Options to the Managing Director	For
5	Approval of Allocation of Performance Rights to the Managing Director	For

2. Summary of Issues and Voting Intentions for AGM/EGM

- While shareholders are seeing positive activity from the 2024 Strategy update and some green shoots in results, FY26 will be the real test of whether a sustainable change that will benefit shareholders is being achieved.
- Short term share price improvement is the primary driver of executive reward.
- Are people sufficiently on board to carry LendLease into the future - Employee engagement has been broadly maintained but did not achieve targeted improvement.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (\$m)	225	-1,502	-232	-99	222
Revised OPAT (\$m)*	386	-1242	-57	-169	196
Share price (\$)	5.38	5.41	7.75	9.11	11.46
Dividend (cents)	23	16	16	16	27
Simple TSR (%)	0.04	-28.1	-13.2	-19.1	-5.2
EPS (cents)	32.6	-217.7	-33.7	-14.4	32.3
CEO total remuneration, actual (\$m)	2.12	2.13	3.37	3.83	4.14

*In FY25 a Revised Operating Profit after Tax was introduced to provide a clearer view of underlying performance. This is NPAT excluding stabilised property revaluations. Each year has been adjusted to allow comparison

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

Having seen Lendlease reporting losses over recent years it is encouraging to see a profit in FY25.

However, Lendlease is undergoing a significant change as described in the Strategy update that was announced on 27 May 2024. It outlined action to be undertaken to:

- Simplify its organisational structure and right size its cost base
- Focus on its market-leading Australian business and international Investments platform
- Recycle \$4.5 billion of capital by completing transactions announced and underway, exiting international construction and accelerating capital release from its offshore development projects and assets

The company is now structured around the 3 continuing business units of Investment, Development and Construction, and a separate Capital Release Unit (CRU). The role of the CRU is to recycle \$4.5 billion of capital for investment in future targeted growth, debt reduction and a proposed return of \$500 million to shareholders through a buy back.

The strategy update gave rise to various impairments and charges in FY24 and included a write down of goodwill attached to the US and UK construction businesses, impairments of certain overseas development projects, where their intended use has changed, and other charges related to redundancy and other break costs. These costs have affected the FY24 result making direct comparison to FY25 difficult. And perhaps there is some uncertainty as to whether the prior year impairments etc may have contributed in some part to the improved FY25 result.

It was said as part of the strategy update announcement “This is a profound change” and John Gillam, shortly after becoming Chair said “my immediate priorities were identifying opportunities to accelerate the delivery of our refreshed strategy, bolstering efforts to unlock value for securityholders and continuing to deliver strong outcomes for our customers, investors and partners.”

In the FY25 Annual Report he said “Over the past 18 months, we have taken decisive steps to transform our business by simplifying the organisation, strengthening the balance sheet, enhancing operational performance and reinforcing our foundations for future growth. There is much more to be done, and I believe our progress to date positions us well to leverage our core strengths, expand our growth plans and deliver better outcomes”

It is not possible here for ASA to make a judgement on the progress to date, or to suggest what the future of Lendlease will look like.

To consider this question shareholders are referred to the Annual Report for more information, and the [FY25 Results presentation](#) and [webcast](#) to see information about what has been achieved to date together with details of the continued transition that is planned for FY26.

Lendlease is transitioning to a very different organisation, and shareholders are being asked to trust that the leadership will deliver a better future for them.

Governance and culture

Lendlease publishes its Corporate Governance Report as part of the Annual Report making it easy for shareholders to read this important document and includes a link to further governance documents, such as the Board Charter.

With the magnitude of the changes from the strategy update the LendLease leadership will need to ensure that the people of Lendlease are on board. Leadership needs to actively manage implementation, and its impact on people so that the company culture is protected and even enhanced through a greater confidence in the future of the company. Is it concerning that for FY25 the level of employee engagement has been maintained but did not achieve the targeted improvement.

Lendlease has in the Annual Report a Board Skill Matrix. While ASA endorses that Lendlease shows the skills of individual directors, we suggest that the matrix include the level of skills (expert, advanced, basic knowledge) to better inform shareholders when they are deciding about voting for directors.

Key board or senior management changes

As part of the intent to simplify the organisation the Board has determined that the Board size will reduce to seven Non-executive Directors, with five based in Australia and two based internationally. At the FY26 AGM this will be achieved with these changes.

- Effective 7 July 2025, the Board of Lendlease Group appointed Ms Lianne Buck as an independent Non-Executive Director and she is standing for election at this AGM

There are several directors reaching or approaching the maximum nine years tenure as per our Board Tenure Policy.

- David Craig will retire from the Board at the conclusion of this AGM.
- Philip Coffey has advised of his plans to retire during the 2026 financial year
- Elizabeth Proust has confirmed her plans to retire at the 2026 AGM.
- To support the desired geographic composition, Barbara Knoflach, who is based in Frankfurt, has advised she will not seek re-election at the 2026 AGM.

Sustainability/ESG

Leadership in sustainability has always been important to Lendlease. In 2025, Lendlease achieved two of its major sustainability milestones – achieving its Net Zero target by 2025 for Scope 1 and 2 emissions and delivering more than \$280m of social value by 2025, exceeding its \$250m social value target.

Lendlease also achieved its 100 per cent renewable electricity goal in 2025, five years ahead of schedule, as it continues to take a leadership position on decarbonisation.

This industry leadership in sustainability, across both environmental and social issues, is valued by a high proportion of our stakeholders, including customers, Investments and Development partners and employees, as Lendlease now shifts the focus toward its 2040 Absolute Zero target for Scope 1, 2 and 3 emissions. This has also given Lendlease access to beneficial sustainability linked loans and green bond facilities.

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

We congratulate Lendlease on holding a full hybrid AGM with shareholders attending on line being able to ask questions and vote during the meeting.

The AGM will be held at the Lendlease head office in Barangaroo giving shareholders the opportunity to get a glimpse of what a Lendlease development looks like.

4. Rationale for Voting Intentions

Resolution 2a: Election of Lianne Buck as a director (for)

The Notice of Meeting states that Ms Buck has more than 20 years' experience in Australian and global investment markets. The Board endorses her appointment saying, "Lianne is an important addition to the Board and her deep and varied experience across LLC core segments of investment markets, funds management, real estate and infrastructure further strengthen the Board's depth of skills and expertise."

From her extensive experience we highlight the following as indicating the additionality of her contribution to the Lendlease board – she is currently a Non-executive Director of St. George Community Housing, a not-for-profit organisation that provides housing services and assistance to low- and moderate-income earners thus having a deep understanding of affordable housing. Lianne has worked with NSW Treasury Corporation, where she was Head of Direct Investments and Infrastructure, responsible for a US\$12 billion portfolio of real estate and infrastructure investments, exposing her to the role of government in property development and investment. She has worked extensively with Australian superannuation and global pension funds as a co-investor and joint venture partner which

is relevant to Lendlease's strategic direction of involving capital partners earlier in its development projects.

While at the AGM, we will ask Lianne to expand further on how she will make a difference to LendLease, she appears to be able to make a valuable contribution and will vote undirected proxies in favour of her election.

Resolution 2b: Re-election of Margaret Lui as a director (For)

The Notice of Meeting says of her that her "extensive investment management and international business experience has brought valuable perspectives to discussion around the Board table." Up until April 2025 Margaret was the CEO of Singapore company Azalea Asset Management, which she founded in 2015. She is now an Azalea Advisor and Investment Committee member.

Her experience in direct investment in real estate and development projects in Asia is relevant to the new direction of Lendlease.

ASA will vote undirected proxies in favour of her re-election.

Resolution 2c: Re-election of Robert Welanetz as a director (For)

Robert is based in the US and has direct project experience in 47 countries. Until 2018, Robert served as Chief Executive Officer in the property division of Majid Al Futtaim (MAF), based in Dubai, where he had overall responsibility for managing MAF's operating property portfolio and development pipeline. With his extensive international real estate investment experience and real estate portfolio management he will have valuable insights for the new position of Lendlease in international markets

ASA will vote undirected proxies in favour of Robert Welanetz's re-election.

Resolution 3: Remuneration report (For)

The Long-Term Incentive equally uses Relative Total Shareholder Return and Return on Equity.

Lendlease last year changed its STI to be "Transformation Award" (TA) which 100% based on an improving Lendlease share price over a two-year period. For FY26 the STI will made up 50% of a one-year TA and 50% for the Scorecard that Lendlease has used for a number of years.

Having 50% of the STI and 50% of the LTI based on share price puts a strong emphasis on that measure. This is beyond the direct control of the company but does clearly aligns with the intent of the 2024 Strategy update. We have been advised that the leaders of the company are absolutely committed to restoring shareholder value and seeing an improvement in the share price – they want this direct alignment between their incentive program and shareholder interests.

The Scorecard which represents 50% of the STI is 70% financials and 30% measures (safety, environment and people) that relate to LendLease values.

A is a detailed explanation of the FY26 remuneration plan is in Appendix 1.

While not fully aligned (through the high dependence on share price) with ASA guidelines, given the clear intent of the executive, and the demands of implementing the Strategy update, ASA is of the view, that on balance the remuneration plan is well aligned with shareholder interests and will vote undirected proxies in favour of this resolution.

Resolution 4: Approval of Allocation of Market-Priced Options to the Managing Director (For)

This resolution is for the provision of equity as defined in the Transformation Award part of the Managing Directors STI. The award is for the CEO to receive an option to purchase 486,397 shares at \$5.3540 per share. The number of shares available for him to purchase is determined by subtracting the starting price (\$5.3540) from the “at target performance price” (\$7.2043) to get the value he receives per share (\$1.8503) and dividing this by the TA entitlement at target of \$900,000.

ASA will vote undirected proxies in favour of this resolution.

Resolution 5: Approval of Allocation of Performance Rights to the Managing Director (For)

This resolution is for security holder approval for the granting of 597,688 Performance Rights to the Managing Director. The number of Performance Rights proposed to be granted has been determined by dividing the face value of the Maximum long-term award (LTA) by the volume weighted average price (VWAP) per Lendlease securities traded on the ASX over the twenty trading days prior to the release of the full year results for the year ending 30 June 2025, being \$5.3540 and rounded up to the nearest whole security. This resolution provides for the allocation of Performance Rights for achievement of Relative TSR and Statutory Return on Equity hurdles after 3 years.

ASA will vote undirected proxies in favour of this resolution.

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Appendix 1

The FY26 Remuneration plan for LendLease has these elements for the Managing Director:

Fixed remuneration

- Fixed remuneration that will remain fixed at the levels applicable at the start of FY24 for the Managing Director. That is \$1.8million.

STI - Transformation Award

The Transformation Award (TA) was put in place for FY25 when the normal STI structure was suspended. For FY26 the TA will apply for 50% (\$900k) of the normal STI amount of \$1.8 million at target. The TA makes security options available to executives with vesting being based on achievement of significant security price growth over a one-year period ending following the release of the FY26 results. These how it will operate:

- The “starting price” is the security price over the 20 days prior to the release of full year results for the year ended 30 June 2025. This price is \$5.354 per security, and this is the price used as the basis for calculating the value of the award that is made to an executive.
- The performance period ends following the release of the FY26 results. The absolute “performance price” will be based on a security 20-day VWAP during a 3-month period following FY26 results. [Which 20 days has not been defined]
- The “vesting point” has been established as the price at which option vesting commences.

This is \$6.4783 per security.

- It is the difference, subject to the vesting point price being met, between the starting prices and the performance price which determines the value of each option to an executive.
- The “grant size” is the number of options the executive can receive. This is determined by dividing the STA at target amount by the at target price. In the case of the Managing Director his TA at target is \$.9 million. This divided by the at target price (\$6.4783) to yield 486,397 options.

- At conclusion of performance period and the entitlement is known the executive has two ways to receive the benefit

- The executive can convert the option into securities by converting his options into securities by paying for this at the starting price of \$5.354 per security. The executive must exercise the options within 7 years from the grant date after which un-exercised options will expire.
- Or a net settlement method will be offered whereby the executive can receive securities to the value of the net benefit. That is performance price minus starting price times the number of options.

- There are no restrictions applying to securities converted from TA options and these securities can be immediately sold on market.

- There is no upper limit on the TA. In this context and to give some indication of possible outcomes, the following chart shows how the Managing Director could be rewarded depending on the security price at the end of the performance period. This does not reflect likely outcomes, only possibilities.

FY26 TA

Starting price	Performance price	Vesting point	Net benefit per security	Managing director outcome			STA reference
				Number of options	Total net benefit	% of target STA (\$.9m)	
\$5.35	\$6.47	\$6.48	\$0.00	486397	\$0	0%	
\$5.35	\$6.48	\$6.48	\$1.13	486397	\$547,683	61%	Threshold
\$5.35	\$7.20	\$6.48	\$1.85	486397	\$900,000	100%	Target STA
\$5.35	\$7.94	\$6.48	\$2.59	486397	\$1,262,000	140%	Max STA
\$5.35	\$9.00	\$6.48	\$3.65	486397	\$1,773,403	197%	
\$5.35	\$10.50	\$6.48	\$5.15	486397	\$2,502,999	278%	

Short Term Incentive (STI) Scorecard

This is a resumption of the Lendlease STI that has been in place for some time. For FY26 this will operate alongside the TA with 50% (\$900k) of the normal STI amount of \$1.8 million at target being allocated to the Scorecard. It is expected that in FY27 the Scorecard will revert to being 100% of the STI.

The Scorecard is 70% financials (Operating profit after tax, Investments EBIYDA margin, Development ROIC, and Construction EBITDA margin). These are critical measures for business success. And 30% non-financials of Safety, Carbon emissions and Employee engagement are measures which align with Lendlease values.

The Scorecard outcome is provided in cash so that with the TA component being equity based the ASA guideline for STI to be 50% in equity is met.

Long Term Award (LTA)

The LTA at maximum is \$3.2 million

Since FY25 the LTA is based on two equal measures:

- Relative Total Shareholder Return,
- And Statutory Return on Equity

The awarding of these is in line with ASA guidelines, although it is noted that LendLease do not disclose, for commercial reasons, the quantum of Return on Equity used in the Long-Term Awards.