

## Optimising Scentre's prime land will reshape the Group and increase profitability.

<b>Company/ASX Code</b>	<b>Scentre Group (SCG)</b>
<b>AGM time and date</b>	Wednesday, 22 April 2026 at 10:00am
<b>Location</b>	Wesley Centre, 220 Pitt St, Sydney
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Allan Goldin
<b>Pre-AGM Meeting</b>	Chair Ilana Atlas, Catherine Brenner Chair Human Resources and Maureen McGrath General Counsel and Company Secretary

Monitor Shareholding: The individual (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

### 1. How we intend to vote

No.	Resolution description	
2	To re-elect Michael Wilkins AO as a Director of the Company.	For
3	To elect Julie Coates as a Director of the Company	For
4	That the Remuneration Report for the financial year ended 31 December 2025 be adopted.	For
5	That approval is given for the issue to, and acquisition by, the Managing Director and Chief Executive Officer Elliott Rusanow of 1,008,690 performance rights under Scentre Group's Performance Rights Plan	For

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

- What action is being taken to reduce Scentre Group's debt level?
- Progress generating new capital by introducing minority capital partners into their Westfield destination hubs.
- Unleashing the potential of Scentre's massive well placed land bank.

### 3. Matters Considered

#### Accounts and reports

By any financial measure 2025 was a success for Scentre Group (SCG). For the 12 months to 31 December 2025, Funds From Operations (FFO) was \$1,188 million (22.82 cents per security), up 4.9% on the previous year. Distributions for the period are \$923 million (17.72 cents per security), up 3.4%. Statutory Profit for the period was \$1,779 million, up 69.4% on 2024 including unrealised fair value movements in asset values. During the year, there was 540 million customer visits, an increase of 14 million or 2.7% compared to 2024. The retailers, or as SCG calls them their business partners, achieved a record \$30 billion of sales during 2025. This is \$1 billion, or 3.6% more than in 2024, with the second half growing by 4.5%.

Happily, the spectre of the disaster Covid caused to the Company is starting to fade as both FFO and customer visitation in 2025 was higher than 2019, with business partner sales being \$5 billion higher than 2019.

Portfolio occupancy increased to 99.8% on 31 December 2025, representing the highest level of occupancy since listing in 2013. Scentre completed 3,090 leasing deals with new specialty lease spreads of 3.2%. Average specialty rent escalations were 4.5% during the 12-month period.

ASA, among others, has consistently advocated for Scentre to sweat its underutilized assets by reducing the level of ownership in their 100% owned centres. SCG only needs to maintain 25% ownership of a retail centre to continue as the property leasing and development manager. Thus, it was very pleasing to see that \$2.2 billion was raised by sales of minority interests in two of their centres (50% of Chermiside, Brisbane to two Dexus funds and 19.9% of Westfield Sydney to Australian Retirement Trust). It is to be hoped that this is early days and when markets stabilise, we will continue to see more external capital taking minority positions in the 20% of group assets which are 100% owned.

The debt level of SCG has been a significant factor reducing the Group results, it is thus encouraging to see that the 2024 gearing level of 30.9% has reduced to 30.4%. This is only bringing the group back to the 2023 level which means there is a long journey to get to where debt stops being such a substantial block on profits. It should be noted that SCG calculates its gearing on \$9.5 billion of senior notes and excludes \$3.5 billion of very long-term subordinated notes from its gearing calculations (refer to Note 16 of the Accounts) Including all Interest bearing liabilities would increase its gearing to over 40%. SCG has recently undertaken a number of capital management initiatives to improve its debt position (refer Page 22 of the Annual Report).

Equally, it is wonderful to see Scentre finally taking actual steps to maximise their 670 hectares of well-located land holdings. Currently, this is:

02/2025 Announced Council Rezoned Hornsby NSW 50+ stories approx. 4,000 units.

02/2025 Announced Council Rezoned Belconnen ACT 28 stories approx. 2,000 units.

09/2025 State Significant Development Warringah SW 39 stories approx. 1,500 units

10/2025 Detailed Masterplan Woden ACT 55 Stories approx. 4,000 units

As each of the 42 Westfield destinations are examined, further applications are being made. Although the initial press releases are in terms of residential accommodation that is

only part of the bigger picture. The goal is creating the greatest economic multi-use in each site that will generate increased activity to the adjoining Westfield destination hub.

The two most advanced sites are Warringah in NSW and Woden in ACT. In both cases the development activity will form part of a masterplan and be greater than just residential whether that is built to sell or built to rent.

The intention is, in all cases, the developments will be undertaken as either a joint venture or by a third party. From a Group perspective all the developments will be capital light.

As both Carolyn Kay and Margaret Seale have been on the board for 10 years, it is likely that new directors will be appointed shortly.

Egon Zehnder has been engaged to find new NED candidates. The three key areas of expertise that will be looked for are:

- Experience in creating a new environment not simply real estate expertise.
- Understanding of retail and customer interactions.
- Up-to-date technology expertise particularly in the field of AI.

At the time of writing Scentre's outlook for 2026 is FFO of 23.73 cents per security and distribution of 18.43 cents each representing 4.0% growth for the year with an average interest cost of 5.4%. However, with the ongoing impacts of the war in the Middle East it will not be surprising to see this outlook being revised. For example, SCG's security price at the time of writing this VI was \$3.37, a 20% drop on that on 31 December.

#### Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (\$m)	1,778.5	1,049.8	174.9	300.6	887.9
*FFO(\$m)	1,187.5	1,132.3	1,094.2	1,039.9	862.5
Security price (\$)	4.20	3.43	2.99	2.88	3.16
Distribution (cents)	17.72	17.20	16.60	15.75	14.25
TSR (%) `	28.27	20.86	10.01	(4.20)	19.82
FFO per share (cents)	22.82	21.82	21.11	20.06	16.64
CEO total actual remuneration (\$m)	8.17	7.16	5.46	4.31**	3.98

` TSR on basis of reinvestment of distribution. Source Bloomberg

\*Funds From Operations

\*\* Reflects combined CEO total remuneration for Peter Allen from 1 Jan 22 to 30 Sep 22 and Elliott Rusanow from 1 Oct 22 to 31 Dec 22.

## **Key board or senior management changes**

Mike Ihlein will retire at the 2026 AGM. He is currently Chair Audit and Finance Committee. Craig Mitchell will be Chair on Mike's retirement.

Julie Coates was appointed as a NED effective 1 October 2025. Julie will stand for election at the 2026 AGM.

Senior Leadership Changes: Effective 1 Jan 2026 Lillian Fadel was appointed COO and Andrew Clarke's role as CFO was expanded to lead growth opportunities.

## **Security**

The tragic events of 13 April 2024 at Westfield Bondi brought into harsh reality the importance of security. The NSW State Coroner found no criticism of Scentre and in fact said their procedures were world class.

However, Scentre has now gone further, as Westfield centres are a major community gathering point it is vital that all possible is done to ensure that a safe and secure environment is provided.

Further measures include the introduction of vests and team safety cameras for security officers, engaging a paid police presence at some destinations, as well as enhancements to training, policies and procedures and ongoing artificial intelligence technology trials to strengthen emergency response across the portfolio and enhance situational awareness.

During 2025, SCG proactively supported the Australian and New Zealand governments in their launch of the Escape. Hide. Tell. public safety campaigns.

## **Sustainability/ESG**

Starting on page 90 of the Annual Report is Scentre Group's sustainability report. Although there is good discussion on risk management what is particularly interesting is on pages 96 to 114. The Group examined six CRROs (Climate related risks and opportunities) and after looking at the three different scenarios developed by the Intergovernmental Panel on Climate Change, modelled their study based on the "Middle of the Road Scenario." The resulting study demonstrates how Westfield destinations are becoming increasingly interwoven in the community.

## **4. Rationale for Voting Intentions**

### **Resolution 2: To re-elect Michael Wilkins AO as a Director of the Company. FOR.**

Michael Wilkins AO, Independent Non-Executive Director Appointed Director: 8 April 2020  
Committees: Member of the Audit and Finance Committee and Human Resources Committee He has more than 30 years' executive experience in financial services in Australia and Asia. He is the former Managing Director and CEO of Insurance Australia Group Limited (IAG), former Managing Director and CEO of Promina Group and former Managing Director of Tyndall Australia Limited.

Current external appointments • Chair, Medibank Private Limited. • Chair, QBE Insurance Group Limited (as announced by QBE, Mike will retire from the Board of QBE at the conclusion of its AGM on 8 May 2026).

With 125,000 securities Mr. Wilkins is aligned with shareholders and we will vote our undirected proxies in favour of his re-election.

**Resolution 3: To elect Julie Coates as a Director of the Company. FOR.**

Julie Coates Non-Executive Director Appointed Director: 1 October 2025 Committees: Member of the Audit and Finance Committee, Nomination and Governance Committee and Risk and Sustainability Committee Julie Coates has a background across a broad range of businesses in retailing, manufacturing, building materials, logistics and consumer goods. Her last executive role was as Managing Director and Chief Executive Officer of CSR Limited. Prior to that she was Managing Director (Australia and New Zealand) of Goodman Fielder Limited. Julie also held senior executive positions at the Woolworths Group, including as Managing Director of Big W, Chief Logistics Officer, and Human Resources Director

Current external appointments • Non-executive Director, Wesfarmers Limited.

We are pleased to see Julie Coates has already acquired her minimum shareholding to align with retail shareholders. ASA welcomes her varied senior executive experience and will vote our undirected proxies in favour of her election.

**Resolution 4: That the Remuneration Report for the financial year ended 31 December 2025 be adopted. FOR.**

More details of the remuneration structure are in Appendix 1.

Scentre's Remuneration Report is among the most transparent that ASA sees and must be praised for this, plus the fact that the structure has improved over the past few years. We still have some unease with the fact that the targets are set at a level to allow Scentre senior executive team to continue to be among the highest paid in the S&P/ASX200 Index.

It is pleasing to see the single largest item in the non-financial component of the short-term reward (STVR) is based on developing opportunities to further utilize the well positioned land bank thus demonstrating the importance of this strategy to the Group's future.

The LTVR or long-term variable reward, is measured over 3 years as opposed to ASA's preferred 4-year period. The major component (70%) is Return on Contributed Equity (ROCE). In the past we have been critical of the minimum ROCE threshold needed to activate this award however as has been pointed out in the Notice of Meeting for the 2025 threshold ROCE of 10.24% to be maintained, operating profit would need to grow by 8.4% over the three-year performance period, which while not being a major stretch is a meaningful target. Happily, the reward for achieving the threshold has been lowered from 50% to 30% which seems a fairer approach.

The other 30% is based on a comparison of the Group's performance relative to a limited comparator group of 4 peers plus GPT and Dexus weighted at 10% each. However, 50% of this bonus is paid if Scentre Group is just average, i.e. equal to the index. Then 100% is paid if Scentre is 6% above the index. This is nothing but a bonus for being average. A cursory look shows that even some members of this comparator group have more

demanding targets for awarding this bonus. Hopefully as Scentre moves from being a pure owner of retail destination the comparator group will be expanded.

Overall, the remuneration report is acceptable and ASA will vote its undirected proxies in favour.

**Resolution 5: That approval is given for the issue to, and acquisition by, the Managing Director and Chief Executive Officer Elliott Rusanow of 1,008,690 performance rights under Scentre Group's Performance Rights Plan. FOR.**

Of the 1,008,690 performance rights to which item 5 relates, 159,052 rights are for Elliott Rusanow's 2025 STVR outcome and 849,638 relate to the 2026 LTVR grant.

The STVR is the equity component of his STVR, which has already been earned and will vest as securities in December 2028 provided, he has remained in Scentre employment.

A maximum of 849,638 performance rights will half vest after December 2028 and the remainder after December 2029. As is noted in the remuneration framework, 70% of the performance rights will depend on the Group's ROCE and 30% will be subject to the performance against the comparator group.

As the ASA has voted in favour of the remuneration report we will vote our undirected proxies in favour of this resolution.

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## Appendix 1

### Remuneration framework detail

CEO rem. Framework for FY27	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	2.0	26.67%	2.0	24.69%
STI – Cash*	1.4	18.67%	1.8	22.47%
STI – Equity*	0.6	8.00%	0.8	9.63%
LTI	3.5	46.67%	3.5	43.21%
Total	7.5	100.00%	8.1	100.00%

\*Target STI is 100% Fixed Remuneration and Maximum STI is 130% of Fixed Remuneration

No changes have been made to CEO and Executive KMP fixed or variable remuneration except for Lillian Fadell whose fixed remuneration increased from \$1,000,000 to \$1,100,000 to reflect increased responsibility.

The Remuneration Report is well set out, with good detail on what the KMP's are paid with the actual and the statutory tables. The Short-Term Variable Remuneration (STVR) is measured over 1 year with 70% of the STVR paid in cash at the end of the year. The other 30% is delivered as performance rights which vest 3 years after the grant date as no cost shares. Pages 68-69 of the Annual Report sets out the criteria to be measured, the weighting of each and where appropriate the target.

When you have 99.8% occupancy it is hard to get new retail partners so instead there is a new KPI focused on lost rent reduction, which means minimising the time space is unoccupied.

The growth KPI changed, in line with the Group's new strategy which is to broaden the activities and uses of its land holdings. At 10% this is the largest single non-financial KPI which demonstrates the importance placed on this major new approach.

Although as is usual with SCG, a high percentage of the total STVR was awarded but considering the financial results and the non-financial changes this appears more justified than in previous years.

The Long-Term Variable Remuneration (LTVR) is measured over 3 years as opposed to ASA's preferred 4 years. For the CEO, this award is a maximum of 175% of his fixed remuneration with 50% of this award vesting at the end of the 3 years and the other 50% at the end of 4 years. 70% of the LTVR is based on Return on Contributed Equity (ROCE). For the 2026 award in December to vest after December 2028 the threshold (for 30% vesting) has been set at 10.24% which is the ROCE at December 2025.

The other 30% is paid based on a three-year cumulative performance compared to a group of six (6) domestic REITS. In relation to the index of these comparative companies SCG must be equal to the index to get 50% of the award and 6% more than the index to

get 100%. Again, the criteria are reasonable but merely being equal to get 50% of the bonus is not rewarding outstanding performance. Again, being average means the CEO will get an additional \$1,050,000.