



Company	Goodman Group
Code	GMG
Meeting	AGM
Date	18 November 2021
Venue	Virtual (via Lumi platform)
Monitor	Lewis Gomes and Richard McDonald

Number attendees at meeting	23 security holders, 3 proxy holders and 84 guests
Number of holdings represented by ASA	91
Value of proxies	\$14.95 million (based on 18 October security price)
Number of shares represented by ASA	610,324 (outside Top 20 security holders)
Market capitalisation	\$45.2 billion (based on 18 October security price)
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Stephen Johns, Chairman of Remuneration Committee Phillip Pryke and Group Head of Stakeholder Relations James Inwood

Great operational performance but fails on remuneration

The meeting was held virtually due to COVID-19 restrictions. The Chairman and CEO each gave verbal reports, which were not webcast in real time and may have been pre-recorded as was the case at last year's AGM. The Chairman spoke to the successful strategy of Goodman Group (GMG) with its focus on complex infill sites near to customers and clients leveraging off the significant increase in e-commerce and "last mile" delivery. He then described the impacts of the very long lead times behind these developments and the need to reward and motivate staff and key executives via a 10 year incentive programme that GMG has introduced for voting on at the AGM.

He noted his disappointment that the remuneration report has failed to reach the 75% threshold to avoid a first strike and advised that "the Board will review Goodman's remuneration strategy in the new year". The details of this remuneration plan were described in detail in the ASA's Voting Intentions which lead to the ASA voting against the report along with 42% of all other cast votes, a notably high rejection rate.

The CEO also spoke to the trading update released to the ASX in early November. Riding on the back of a booming e-commerce wave, Goodman has lifted work in progress to \$12.7 billion, nearly double that of a year ago, and forecast earnings per security growth for FY22 of 15% on FY21. Total assets under management is expected to reach \$70 billion by the end of FY22 of which almost 90% is under its very successful partnerships model. Goodman's focus on site selection, innovative development of infill sites, building sustainability into its developments and responding to increasing sophistication and automation within its projects were seen as crucial to the company's success. The CEO included a set of slides summarising key points of GMG's performance as well as a short video.

The Chairman invited questions relating to General Business but only one comment was read out, which was from the ASA congratulating Goodman on an outstanding performance.

The Chairman then moved to the appointment of KPMG as auditors for the Hong Kong business and the re-elections of Rebecca McGrath and Danny Peeters as directors of Goodman Limited and David Collins as a director of the Hong Kong business. All of these 4 resolutions were comfortably passed with votes in favour of 96.3, 79.2%, 85.8% and 99.9% respectively. The ASA also voted for all of these resolutions.

The Chairman then spoke to the Remuneration Report emphasising the importance of strong performance outcomes in order for senior executives to achieve incentive awards of securities and the need to reward executives in a very competitive market place. Questions were invited but only the ASA responded with a comment and a question challenging the use of "economic" value rather than face value when determining the number of security rights awarded. The Chairman gave a long but respectful reply along the lines of his earlier address and emphasised his and the Board's view that the remuneration framework was needed for Goodman to remain competitive given the long lead times behind its projects. As noted earlier, the resolution failed to reach the required 75% in favour, with 41.7% of cast votes against the motion.

The final 3 resolutions related to the award of Performance Rights to the 3 Executive Directors, namely Greg Goodman, Danny Peeters and Anthony Rozic. Questions were invited but none was forthcoming. Each of these resolutions was passed but with slim majorities of about 55% of cast votes in favour in each case. The ASA voted against each of these resolutions.

There being no further questions, the Chairman closed the meeting after about 30 minutes.

The ASA subsequently emailed the Group Head of Stakeholder Relations thanking him for putting the ASA's comments and question to the meeting and offered to meet with the Chairman in the New Year to discuss revisions to the remuneration plan.