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Company	Goodman Group
Code	GMG
Meeting	AGM
Date	15 November 2018
Venue	Westin, Martin Place Sydney
Monitor	Allan Goldin assisted by Richard McDonald

Number attendees at meeting	24 shareholders, corporate representatives and 3rd party proxy holders
Number of holdings represented by ASA	122
Value of proxies	$8,269,743
Number of shares represented by ASA	800,556
Market capitalisation	19.25 billion
Were proxies voted?	Yes
Pre AGM Meeting?	Yes, with chairman Ian Ferrier and James Inwood Group Head of Investor Relations

Good result, bad remuneration structure, huge protest vote

As the Chairman emphasised the company has created a strong international business for which Greg Goodman has been acknowledged as one of the world's top CEO. Mr. Ferrier spent considerable time explaining the rationale behind the remuneration structure. It was comprehensively emphasised that share price reflected the market giving GMG a higher premium over net tangible assets (NTA) than normal. A key highlight was average debt expiry to 6.9 years and cost of debt to approximately 3% p.a.

The CEO talked about what was happening now and in the next year, confirming forecasts of a $913 million operating profit, up 7%, a statutory profit of $1 billion which means earnings per security of 50 cents per share (cps), up in excess of 7% and dividends of 30 cps, also up. A 7% increase in assets under management will take them be greater than $40 billion.

Goodman sees that the Company has a role to play in the community, to team with like-minded companies, to allow the employees to be an integral part of the company and be allowed to grow.

So it is unfortunate that they have such a poor remuneration structure as explained in detail in our Voting Intention and at this meeting where ASA predicted that the $9.2 million actual pay received by the CEO this year will ratchet up to $15 million next year. We were joined in our view with 45.5% of shares voted against the remuneration report and a first strike. Even more amazing in the three binding votes for the issue of performance shares the highest vote in favour was an astoundingly low 54.63%.

GMG was asked why in such a low interest environment they didn't increase borrowing and fund developments themselves. Answer: environments change in their lower risk model where typically 80% of the funds come from pension funds, in addition to the Group's profit on their 20% stake they receive management fees then and for the years after.

ASA acknowledging the value of this practise, queried how much lower the return to unit holders was by using this structure. It was acknowledged that it was smaller but they couldn't quantify by how much.

A shareholder asked what would happen if Greg Goodman was hit by the proverbial bus and was told there were three successors being groomed. ASA asked why such careful planning hadn't been evident in the board which seemed to undertake board renewal at a very slow pace with the result it has shrunk in size. We were told it was changing. Rebecca McGrath and Penny Winn received over 99% approval of votes cast for their election, and even the executive director Danny Peeters who we voted against got 91% of share voted in favour of his re-election.