



Vicinity Centres 2021 AGM Report

ASX Code	VCX
Meeting Time/Date	11am, Wednesday 10 November 2021
Type of Meeting	Virtual
Monitor	John Virgona assisted by Rod McKenzie
Pre AGM Meeting?	Yes, with Chair Trevor Gerber, Group Company Secretary Rohan Abeyewardene, and Head of Investor Relations Jane Kenny

Thumbs down to virtual only meetings

What the Company Does

Vicinity Centres is an owner, manager and developer of shopping centres around Australia.

Developments in the Financial Year

Another year heavily impacted by COVID-19 restrictions resulting in a statutory net loss after tax of \$258 million - an improvement on the FY 2020 loss of \$1,801 million. Distributions per security of totalling 10.0 cents were made, up from 7.7 cents on the prior year. The current year distribution included 2.5 cents attributable to one-off items.

Retail trading in states less affected by COVID-19 remained strong, and there has been a pleasing rebound in centre visitation in New South Wales and Victoria, as restrictions started to ease this in October 2021.

Summary of Historical ASA Issues with the Company

Over the years the ASA has raised a number of issues primarily relating to the remuneration report. It can be said that Vicinity Centres has been largely responsive to these matters.

The introduction of a longer performance period of 4 years for Long Term Incentive (LTI) awards and the inclusion of a table of actual remuneration are some positive steps that have coincided with ASA lobbying.

It is disappointing that a gateway requiring a positive Total Shareholder Return (TSR), before an award could be made under the relative TSR performance measure, was dropped this year. This gateway was introduced in FY20 following ASA campaigning but has been removed with the revised LTI arrangements.

ASA has also raised with the company that the current board gender diversity measure is below both the ASA and Vicinity's own targets. The company has noted our concerns.

In the 4 years this monitor has been involved with VCX, ASA has not opposed any of the resolutions proposed by the company. This changed this year. Vicinity put forward a change to the constitutions of the company and stapled trust to permit virtual only meetings. ASA's position is that virtual only meetings should occur only during states of emergency. It is considered that the

current state of technology does not replicate the access and interaction retail shareholders have with a physical meeting. The experience of this AGM underlines this position.

Debate and Voting at the AGM

This AGM was a virtual only proceeding with static images of speakers and presentations. Securityholders were able to ask questions by either by telephone or via a website. It was quite a different experience from watching a webcast video of a meeting.

The meeting opened with the Chair and CEO presentations.

When the general business commenced, questions from securityholders included privacy concerns in relation to drone deliveries, board gender diversity and distribution policy.

The writer attempted to ask a question concerning remuneration report by phone, however due to lack of co-ordination the resolution was passed before the question could be asked.

The directors standing for election / re-election addressed the meeting and outlined their key credentials. All directors were re-elected. It is noted that Mr Appleton received an opposing vote of 21%. Given that the top 20 security holders own 92% of the register it appears that he does not have the support of one or more of the large security holders. The other directors standing were re-elected receiving 'for' vote percentages in the high nineties.

Usefully, there were separate special resolutions dealing with general constitution changes and for virtual only meetings.

ASA considered the resolutions covering general changes were non-controversial and they were carried almost unanimously by the meeting.

ASA spoke against the resolutions relating to virtual meetings. These resolutions were not carried. They received 61% in favour - falling short of the 75% required to pass a special resolution.

The meeting closed just after noon.

Outlook Statements from the Company

Given the current uncertainties in this COVID-19 environment the company has understandably declined to provide an Outlook Statement.

Meeting Statistics

Number of Holdings Represented by ASA	67
Number of Shares represented by ASA	1,109,681
Value of Shares represented by ASA	\$1.9m
Number Attending Meeting	44 shareholders plus 47 visitors
Market capitalisation	\$7 bn
Were proxies voted?	Yes, on a poll

Monitor Shareholding

An individual(s) (or their associates) involved in the preparation of this report has a security holding in this company.

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.