



TRANSCRIPT LENDLEASE 2022 ANNUAL GENERAL MEETINGS

18 NOVEMBER 2022

[Opening video]

Michael Ullmer, Lendlease Group - Independent Non Executive Chairman of the Board

Good morning and welcome to the Lendlease 2022 Annual General Meeting. My name is Michael Ullmer, and I am the Chairman of the Lendlease Group.

It's wonderful to be able to hold this meeting in person again, after two years in a virtual format. We also recognize that not everyone is able to meet in person. And for this reason, I am very pleased that we are able to offer a hybrid format to allow our security holders to participate, ask questions and vote at this meeting virtually. For those who have joined online, we are pleased that you have joined us today, and we have worked hard to ensure your experience runs smoothly. However, should you have any technical difficulties, please contact Computershare, the details of which can be found on the meeting platform, and a recording of the meeting will be available on our website following the meeting.

For people in the room, in the event of a fire or other safety incident, should the alarm sound, please follow the instructions of the safety wardens. If there is a need to adjourn the meeting, we will provide updates via the ASX platform and on our website.

This meeting is being held on the land of the Gadigal people of the Eora Nation. The Gadigal people are the traditional custodians of this land, and I extend my respects to their elders past and present. I also acknowledge and pay my respects to any other First Nations people who are attending this meeting. And security holders attending virtually may be doing so from other ancestral lands, and I also pay my respects to the traditional custodians of those lands and their elders past and present.

It is now my pleasure to introduce you to your Board of Directors. On my far right, we have Bob Welanetz. Next to Bob, Jane Hemstrich, our Chair of the Nominations Committee, who will retire at the conclusion of this meeting. I'm pleased to report that Bob will succeed Jane as Chair of the Nominations Committee.

Phil Coffey, Chair of our Risk Committee; Elizabeth Proust, Chair of the People and Culture Committee; Tony Lombardo, Global Chief Executive Officer and Managing Director. On my left, Company Secretary, Wendy Lee; David Craig, Chair of our Audit Committee and standing for re-election today; Nicola



Wakefield Evans, Chair of our Sustainability Committee and also standing for re-election today; and Nick Collishaw at his first AGM and who is standing for election today.

Members of Lendlease's leadership team are either here in person or joining the meeting virtually. Eileen Hoggett and Paul Rogers from KPMG, the group's auditor, are also here and available to answer any questions relating to the audit of the group's financial statements. Barry Azzopardi from our share registry, Computershare, is in attendance and will act as returning officer.

I now confirm that a quorum is present and formally declare the meeting open. Now before we begin, our company Secretary, Wendy Lee, will outline the procedures for asking questions and voting. Wendy?

Questions and Answers

Wendy Lee, Lendlease Group - Company Secretary

Thank you, Chairman. First, I will outline the procedures for those attending virtually and then the procedures for those attending in person here today. As this is a meeting of security holders, only Lendlease security holders and proxy holders are entitled to speak and vote at the meeting. For those attending the meeting virtually, today's meeting is being held by the Computershare meeting platform. Attendees can watch a live webcast of the meeting. And security holders and proxies also have the ability to ask questions and submit votes online. Online attendees can submit questions at any time on the meeting platform. As the Q&A icon has been enabled, security holders and proxies are encouraged to begin submitting their questions now. You do not need to wait until we get to the relevant item of business to ask a question. However, your question won't be addressed until the appropriate time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamate it together.

If you are eligible to vote, once voting opens, press the vote icon on the meeting platform, and all resolutions will be activated with voting options. To cast your vote, select one of the options. There is no need to hit submit or -- as the vote is automatically recorded. You will receive confirmation on your screen. Voting is not available on the teleconference, and you will need to cast your vote on the meeting platform. You can change your vote up until the time the Chairman declares voting closed.

Now to the instructions for those attending the meeting in person. You can ask a question by approaching the microphone attendants and providing your name. When the Chairman asks for questions, please wait for the microphone attendant to introduce you. Only those attendees with the blue or yellow attendance card can ask questions as these cards indicate that you are a security holder. If you hold a white visitor card, you are not able to ask questions or vote. If you are eligible to vote, you



can scan the QR code on your attendance card with your mobile device at any time after the Chairman opens the voting. This will take you to an online voting page. To cast your vote, simply select one of the options. There is no need to hit submit or enter as the vote is automatically recorded. You will receive a vote confirmation on your screen. If you do not have a mobile device, you may complete the voting items on the reverse side of the attendance card. Voting cards will be collected from you by Computershare at the conclusion of the meeting. You can change your vote up until the time the Chairman declares voting closed. If you require assistance in the room, please make your way to a Computershare representative.

The Chairman will provide a reasonable opportunity to ask questions or make comments.

I will now hand back to the Chairman.

Michael Ullmer: Thank you. Thank you, Wendy. I now declare voting open on all items of business. So please submit your votes at any time. The poll will close at the end of the last item and the results of all resolutions will be lodged on the ASX following the conclusion of the meeting.

Before moving to the formal business of the meeting, Tony and I will address achievements over the last year, areas for improvement and our outlook against the backdrop of a challenging geopolitical and economic environment.

First some reflections on the progress we have made over the last 3 years. On becoming Chair, my immediate priority was to lead the Board in a strategic review of the business, which resulted in the Engineering and Services business being deemed Non core. Plans were enacted to separate them from the group, with both businesses now divested. A comprehensive review of the Board's governance practices identified opportunities to enhance the effectiveness of the Board processes. Changes were implemented to increase the focus of the Board on strategy, reputation, customer and our people.

We have transitioned to leadership of the organization with Tony Lombardo, appointed Global Chief Executive Officer just over a year ago in June '21. Tony has overseen executive leadership changes and refreshed the group's strategy and organizational structure. Board renewal has been a focus, with 3 new directors, Bob Welanetz, Nick Collishaw and, more recently, Margaret Lui strengthened the Board's experience in real estate investment and development. Our intent is to continue to refresh the Board with high-calibre directors with deep experience in our core segments and geographies. All these changes were taking place against the backdrop of the worst pandemic in more than a century. As an integrated real estate group, operating in targeted gateway cities around the world, the impacts were particularly severe and extended to our people our customers and other stakeholders, including you, our security holders.



Having said that, I am astonished at the capacity of our teams to deliver market-leading products and services throughout this period, notwithstanding the massive challenges posed by the COVID restrictions, supply chain constraints and severe weather events. At the same time, FY '22 was also a year where significant actions were taken to reset our business for future growth. This involves resetting strategies for a small number of development projects to reflect the changed market environment driving significant operational efficiencies through the organization and dealing with some legacy project issues. This is a big agenda, but one that was necessary to set the business up for the future, but it resulted in a financial performance for FY '22 that was disappointing.

Lendlease reported a statutory loss after tax of \$99 million. This comprised a core operating profit of \$276 million, a loss for noncore operating items of \$333 million and noncore loss of \$42 million. While disappointing, the outcome reflects the challenging global operating environment and the decisions we flagged to the market in August 2021, that we would be resetting the group for future growth and the refocus of our digital activities.

In the light of the continued deterioration of economic indicators, I'm pleased the team took the actions they did, but there is more to be done. Core operating profit of \$276 million was down from \$377 million in the prior year, with lower development segment earnings, in part due to lower income recognition from a revised approach to joint venture arrangements, more than offsetting a strong recovery in the Investments segment. Full year distribution of \$0.16 per security reflects a payout ratio of 40% on core operating profit for security.

Our refreshed executive leadership team has simplified the business and created a leaner organization. Redirecting capital and removing a significant amount of operating costs would assist in improving returns in future periods. Restructuring costs associated with these changes were \$342 million after tax and included allowances for employee redundancies and tenancy exit costs and development impairments on a small number of underperforming projects. There was also an impairment of intangibles relating to our digital investments of \$55 million after tax. The noncore loss primarily reflects costs associated with the exit of the Services business.

The group entered FY '23 in a strong financial position, with a healthy pipeline of work, cash and cash equivalents of \$1.3 billion and gearing of 7.3%. The strength of our balance sheet positions the group to grow the investments platform and increase development activity. But in recent months, the risks posed by the external environment foreshadowed in our annual report have manifested themselves in the economic outlooks across our target cities. Projections of economic growth have been downgraded by central banks around the world and forecasts of more persistent inflation have put upward pressure on the interest rates. Real estate markets are highly sensitive to these factors. As a consequence, we are



seeing both the deferral of activity as clients pause and lower asset prices. As outlined in the recent strategy update to the market, the returns for each of our operating segments in FY '23 are now likely to be at the lower end of the ranges.

The distribution policy has been revised with the payout ratio reduced to 30% to 50% of core operating profit, down from the previous range of 40% to 60%. While the distributions each period will be determined through Board deliberation, we expect near-term distributions to be at the lower end of the range as we fund our planned growth. We acknowledge it has been a difficult period for our security holders, and our financial performance has not met your expectations. The Board believes the organization has significant latent value and is acutely aware that we must hold ourselves and management to account to translate this into sustainable financial returns. As a first step, restoring the group's return on equity to the target range of 8% to 10% from FY '24 is, apart from health and safety, our most important objective.

From a non financial perspective, to achieve sustainable success, businesses must have a clear purpose aligned to a long-term strategy for shared value creation. This is reflected in our purpose statement, creating places where communities thrive. Living our purpose means we have to create the best places for customers and the communities we serve, inspire our people, preserve our culture and deliver sustainable growth for our security holders. The health and safety of our people, our sub contractors and the communities in which we operate remains our #1 priority. And we are deeply saddened by the fatality of a subcontractor in FY '22 on one of our construction sites in New York in an area under subcontractor management. More recently, there was a fatal incident involving a subcontractor at the 1 Java project, also in New York.

Our sincere condolences are extended to the family and colleagues of the two men who lost their lives. It is a sombre reminder of the importance of our focus on safety for all people who interact with our places. Eliminating incidents and injury remains at the forefront of our strategy and operating philosophy, and we will continue to strive for improvement.

Our safety culture, which is one of the strongest cultural markers amongst our people, is exemplified by the implementation of innovative solutions. For example, the improvements we have made to the perimeter screens on steel-framed buildings has set the industry standard in reducing the risk of falls from height for workers and material. Exceptional outcomes were achieved against some of the group's key safety metrics in FY '22. The critical incident frequency rate, lost time injury frequency rate and the percentage of operations without a critical incident were all at their best ever levels. But the tragic fatalities remind us that in an organization that performs approximately 100 million hours of work per



year, the loss of focus for a split second can have devastating consequences. Hence, we would endeavour to continually improve the safety environment.

Lendlease aspires to be a leader in delivering industry transformation to limit global warming, create lasting social value and embed our commitments to First Nations people in the way we work. On climate change, our commitment to be a 1.5-degree aligned company is reflected in our targets of net zero carbon emissions for Scope 1 and 2 by 2025 and absolute zero for Scopes 1, 2 and 3 by 2040. Our goal is not only to eliminate the use of fossil fuels across our business, but also to help transform the real estate sector. This year's initiatives include the use of renewable diesel, the design of all electric buildings and the switch to 100% renewable electricity for operating assets in Europe. We have also made progress on Scope 3 emissions through various supply chain partnerships in areas such as low-carbon steel and concrete, mass engineered timber and recycled aluminium facades.

From a social sustainability perspective, we have created more than \$100 million of social value since launching our target of \$250 million by 2025 2 years ago. This has been derived from shared value partnerships over and above any individual project, contractual requirement, the focus on creating measurable social value by addressing the needs of communities. And you saw some examples of those in the video at the start of the meeting.

For decades, Lendlease has supported community-led initiatives to advance the self-determination of First Nations people. For the past eight years, we have publicly supported constitutional reform. And in 2019, we're 1 of 14 companies who came together to support the Uluru Statement From The Heart. We believe Corporate Australia has a leadership role to play in raising awareness of what voice, treaty and truth means to us all. It is my hope that Australians will support the call for truth-telling and a constitutionally enshrined voice, which I believe is essential for a reconciled nation.

Today, there are only a handful of organization in Australia with an elevated reconciliation action plan. We are proudly one of them. We have committed to delivering specific targets for employment, procurement and cultural learning. We have invested in partnerships and programs that revitalize First Nations languages and cultures, facilitated community-led solutions to reducing incarceration and supported First Nations businesses to grow. Prioritization of First Nations voices, languages and cultures is redefining the way we operate. And when it comes to our core purpose of creating places where communities thrive, we are strongly focused on ensuring First Nations voices are central to the place-making and development process. We understand that the country is foundational to the way communities connect and thrive.



On a separate topic that is unfortunately becoming more prevalent in the turbulent world we live in, we will be releasing our 2022 modern slavery statement in the coming weeks. We are enhancing our modern slavery risk governance, launching a global supply chain management policy standard and rolling out awareness strategy.

As outlined in the 2021 remuneration report, significant changes were made to our executive rewards strategy with effect from FY '22. These were strongly endorsed by our security holders at the 2021 AGM. The changes to the executive rewards strategy were designed to improve the alignment of executive remuneration with our security holders and included the removal of the restricted securities plan so as to increase the portion of remuneration, which is performance-based, increasing the weighting of the financial components of the short-term award, along with simplifying the key performance indicators and deferring 50% of the award into equity and simplifying the vesting schedules for our long-term award. Remuneration outcomes relating to FY '22 were determined by business performance while having regards to the difficult operating conditions. Although financial performance was below our portfolio management's targets, it was consistent with the expectations set for FY '22. And importantly, we established a platform to support the delivery of sustainable growth in the future.

Notwithstanding strong performance against scorecard key performance indicators that was set based on the Reset operational plan for FY '22, the Board determined that a downward adjustment to short-term award outcomes should be made given the overall financial outcome. The short-term award for the group CEO was 48% of maximum and range between 55% and 61% for other key management personnel. We believe these remuneration outcomes for executives are appropriate, acknowledging the significant progress made on the 5-year road map.

There was no vesting of the 2020 long-term award that was tested this year, given that the relative total security holder return and return on equity performance hurdles were not met. That marks the fourth consecutive year of no vesting for the long-term award, demonstrating its alignment with the subpar experience of our security holders.

The Board program, in addition to its regular cadence of meetings in FY '22, expanded to reflect the broader range of both operational and strategic issues which required oversight. While some engagement activities were restricted by the pandemic, the Board was able to assess our Asian operations in person while other parts of the program were conducted virtually. This enabled the Board to engage in programs in all 4 operating regions, including site tours, both physical and virtual, project reviews, interactive employee roundtables, leadership discussions and engagement with external stakeholders. The Board firmly believes these activities, in addition to our formal meetings, are critical for meaningful corporate governance.



The Board has a structured approach to director succession planning and aims to deliver an appropriate mix of schools, experience and diversity in order to govern Lendlease in the best interest of all stakeholders. After almost 11 years of service, Jane Hemstrich will retire from the Board at the conclusion of today's meeting. Jane has made a significant contribution during her tenure. She always comes to the table well prepared, ask penetrating questions, but in a constructive way, and provided strong support to management in her specialist domain. On behalf of the Board, I thank Jane for her commitment, hard work and dedicated service. Thank you.

In September, we announced the appointment of Margaret Lui to the Board as an Independent Non executive Director. Margaret will join the Board on 1 December 2022. Based in Singapore, Margaret is the Chief Executive Officer and Executive Director of Azalea Asset Management, which oversees a USD 10 billion asset portfolio. Margaret's extensive investment management and international business experience makes her an outstanding addition to the Board, and we are delighted to have attracted someone of her calibre.

Nick Collishaw is seeking election today. And David Craig and Nicola Wakefield Evans are standing for re-election. All 3 have the unanimous support of the Board and bring diverse skills and experiences which add to the quality of Board deliberations.

FY '22 was focused on resetting the organization and rebuilding momentum to set the group up for a clear pathway to meet its financial and operational targets from FY '24 and beyond. The further deterioration in the macroeconomic outlook is negatively impacting global real estate markets. As a result, the recovery in financial performance is expected to be marginally more subdued than originally anticipated. But notwithstanding this, operating momentum in FY '23 has improved. We remain committed to our strategy and believe the underlying strength of our business will become apparent as global cities recover their economic momentum. The group is evolving into an investment-led organization with growth to be underpinned by converting already secured opportunities across our integrated real estate group. This gives us confidence that we are on track to achieve our target return on equity from FY '24 and thus on the pathway to restore long-term security holder value.

Finally, I thank my Board colleagues and the entire Lendlease team for their continued dedication in negotiating an extremely difficult period for the group. Thank you. I will now hand over to Tony.

Tony Lombardo, Lendlease Group - Global CEO & Managing Director

Thank you, Michael, and good morning, everyone. I also acknowledge the Gadigal people of the Eora Nation and pay my respects to their elders past and present. Echoing the Chairman's earlier remarks, it's great to welcome everyone back to an in-person meeting, and I also welcome those joining online and by telephone.



I want to make it clear that I share the Chairman's disappointment with the Lendlease's financial performance during FY '22. Undertaking a major group reset in the midst of a global pandemic, a war in Ukraine and deteriorating economic conditions was never going to be simple -- never going to be a simple task, nor was it a task that could be completed quickly. It is, however, a very necessary task and one that I wholeheartedly believe will deliver more sustainable returns to you, our security holders, from FY '24.

In August last year, we announced our 5-year road map, Reset, Create, Thrive, to enhance the way we operate and deliver the sustained performance. FY '22 was the reset phase of that road map. We are positioning Lendlease to be an investment-led organization with our integrated model, investments, development, construction being our point of difference. This means a greater proportion of Lendlease's financial return should, over time, be composed of more predictable and recurrent earnings. We are pursuing a disciplined product and sector strategy, where we have an advantage of scale or deep capability across our key real estate sectors, residential, workplace, retail, data centres, industrial and social infrastructure.

Several portfolio divestments and adjustments as well as the exit of noncore businesses form part of this investment-led transition and strengthened the group's balance sheet. We optimized our structure to create a more consistent operating model across our regions as well as streamlining our group functions. This has enabled our regions to focus on the execution of the strategy while freeing up our group team to focus on portfolio management, capital allocation and risk management. Our current portfolio comprises \$44 billion of funds under management, \$30 billion of assets under management and a development pipeline of \$117 billion and a construction backlog revenue of \$10.5 billion.

The recent year for the group was the predominant driver of the statutory loss after tax of \$99 million, with a core operating profit after tax of \$276 million. Core operating earnings per security was \$0.40, representing a return on equity of 4%. The Investments segment performed strongly with returns exceeding targets and a recovery in investment portfolio income, higher management fees and part sale of the asset management income stream of the U.S. Military housing portfolio. Returns for the Development segment were below target. This was due to low completions of \$2.5 billion stemming from lower historical commencements, dating back to FY '19, and subsequently COVID, as well as the impact of the change in profit recognition on joint venture projects.

In Construction, cost pressures, including supply chain disruptions and COVID-related delays more than offset various mitigating strategies. This put downward pressure on margins and earnings.

Notwithstanding a difficult financial year, progress was made in advancing several strategic priorities. Funds under management grew by 12% to \$44 billion. We established approximately \$11 billion in new



investment partnerships that are expected to contribute to the acceleration in development activity and grow our funds under management. This included the Comcentre Redevelopment in Singapore, a joint venture to develop the remaining office precedent at the International Quarter London and separate partnerships for life sciences in the U.S. and innovation districts in Asia. Development work in progress, the lead indicator for development completions, has climbed to a record \$18.4 billion. Backlog revenue in construction is healthy at \$10.5 billion.

As always, getting our people home safely remains our highest priority. Echoing the Chairman's comments, I extend my sincerest condolences to the families and colleagues of the two men who lost their lives.

Lendlease leadership in sustainability remains a strategic priority. Our Mission Zero road map set out specific strategies across our operating segments. For investments, our Barangaroo Office Fund was recently named the world's most sustainable in 2022 Global Real Estate Sustainability Benchmark, known as GRESB. This is an accolade our Lendlease Fund has achieved for 8 of the past 9 years. Further, in each of the 4 regions in which we operate, Australia, Asia, Europe and the Americas, at least one of our funds achieved the #1 GRESB ranking.

In development, we are increasing the number of all electric developments in our portfolio, including at 1 Java Street, New York and La Cienega, Los Angeles. We have also raised \$1.2 billion across three green bonds to help fund our global pipeline of sustainable projects. From a construction perspective, we continue to collaborate with suppliers to progressively source and procure low embodied carbon materials.

Now to our outlook. The near-term operating environment has deteriorated. As outlined during our recent strategy briefing, the FY '23 result is being impacted by these more challenging macroeconomic conditions. Each of our operating segments will likely be towards the lower end of the ranges we provided at the FY '22 result. Consistent with previous years, there is also likely to be a skew to the second half, largely due to the timing of development completions. To accelerate our transition to becoming an investment-led company, we are reweighting our capital allocation towards the Investments segment. The high quality of sustainable product created from our development pipeline is anticipated to be -- to remain the predominant driver of growth in funds under management, which is targeted to be more than \$70 billion by FY '26.

In addition, we're continuing to progress external opportunities to grow funds under management. We remain on track to achieve development completions of \$8 billion per annum from FY '24. While we operate a capital-light model in Development segment, we believe there is scope to work our capital



harder. That will involve bringing in investment partners earlier in development process, including from day one when we secure new projects.

Consequently, we are reducing the capital allocation to Development. Our construction capability plays a critical role in delivering our urban projects as well as providing specialist capabilities to our external clients. We'll continue to be selective by targeting specialist sectors and customers whose values aligned to ours, including our unrelenting focus on health and safety.

As a result of the changes to our portfolio management framework, we have narrowed the target range of our return on equity, our key financial KPI, to 8% to 10%, reflecting the ongoing shift in becoming investments-led. In summary, we are committed to restoring securityholder value. including achieving our FY '24 return on equity target without compromising our safety first approach, our ethos of environmental and social sustainability. With that, I'll hand back to the Chairman.

Michael Ullmer: Thank you, Tony. I will now turn to the formal business of the meeting. Each resolution and supporting information is outlined in the notice of meeting. As well as consideration of the financial statements, the business before us today includes five resolutions. The Board recommends that security holders vote in favour of all resolutions, and I, to all undirected proxies that I hold as Chairman in favour of each resolution. As stated in the Notice of Meeting, a poll has been called on all resolutions. We will work through each resolution in order, and I will provide you with a summary of the proxies received for each resolution as we progress.

As this is a hybrid meeting, I'll invite questions on each item first from the room, then through the Computershare meeting platform for those online, and finally, from teleconference before moving to the next item. Our Company Secretary, Wendy, will read out the questions received.

So let's turn to the first item of business, which is to receive and consider the financial statements and the directors' and auditors' reports for the financial year 2022. General questions relating to the management of the company may be asked during this item. If attending virtually and you have questions about the reports or on the management of Lendlease, please submit your questions via the online meeting platform now.

Those security holders attending the meeting in person, please make your way to a fixed microphone point. We have one in the middle here and one over to your right and make yourself known to the attendant by showing your blue or yellow attendance card. So we have Mina here, and we have Lizzie over here. Are there any questions from the room?

Lendlease Representative: Chairman, I would like to introduce Mr. Peter Gregory, who is representing the Australian Shareholders Association.



Michael Ullmer: Thanks, Mina. Welcome, Peter.

Peter Gregory ASA: Thank you for the meeting. It's great to be face-to-face. It's really fantastic. Australian Shareholders Association, I'm here representing 177 shareholders who have given proxies, representing a total of about 780,000 shares. I'd make the comment that our members are generally long-term investors, and they do have a considerable amount of loyalty to the companies that they choose to invest in.

Thank you for sharing the current situation with Lendlease and for the details of the reset process that's been underway. I'd like to know if -- given there's a move to a considerably more recurring income versus what I would describe as event test income, are you able to give us a picture as to what the ratio of those 2 might look like perhaps going out 3 years, 5 years?

Michael Ullmer: In that regard, Peter, let me give an initial response. And perhaps, Tony, if you give some in further detail. But at a high level, one of the key things that the management team announced on the strategy reset last month was the reallocation of capital from development through to investments. And that involves effectively reducing the capital in development over time by about \$1 billion and adding that \$1 billion through to investments.

So when we look at our book today, about 60% of our capital is involved with development activities and 40% with respect to investment activities, and we expect that to switch over the period from now until about FY '26 to 60% Investments and 40% Development. Tony, would you like to add anything?

Tony Lombardo: And Peter, what I would say from an earnings mix for FY '26 onwards, what we anticipate is to have about 40% to 50% of our EBITDA coming from Investments, 40% to 50% coming from Development and about 10% coming out of the Construction division. So really, that's about a 10% uplift in the investments if you look at the midpoint and 10% downwards in terms of the Development business.

Michael Ullmer: And the EBIT will relate to revenue?

Tony Lombardo: The EBIT relates to the margins that we generate from revenue and cost of sales.

Michael Ullmer: Okay. Thank you, Peter. Any other questions?

Lendlease Representative: Chairman, I would like to introduce securityholder, Diana Pride.

Dianna Pride: Hope you can hear me.

Michael Ullmer: I can.

Dianna Pride: I'm not sure if this is the correct point of the meeting to ask this question, but it's a question for you, Mr. Ullmer, relating to a promise you made in the 2020 AGM. My question relates to



the protection of koala movement corridors at the Gilead development at Campbelltown. And at the 2020 AGM, you promised that you would be meeting or exceeding all substantive areas of the Chief Scientist report regarding that Gilead development. The Greater Macarthur interim plan called for minimum koala corridors, I stress the word minimum, of 425 meters along the Nepean River. The Chief Scientist called for 390 minimum average with 30-meter buffer either side, which brings up to 450 meters. What is Lendlease's minimum koala corridor with along the Nepean River.

Michael Ullmer: Thank you for that question. And I can assure you that we take very seriously the commitments we have made through this period, which has been going on, I think, for 4 or 5 years now, of consultation and engagement with all relevant parties. We have endeavoured to hold true to our purpose, which is to do whatever we can to protect the environment so that we build sustainable communities.

In regards to the koala environment out at Figtree Hill, we have complied with all requirements of the Chief Scientist. And I believe that has now been settled with the Chief Scientist in terms of the reports. We have committed through that period to an average width across the area of 400 meters of the corridors. And we, in the course of our development, there are 2 very important things. One is at no time during our development will there be less core habitat for koalas than there is today. And secondly, by the time the development is completed, there will be 30% more habitat than there is today. So that's an additional 70 hectares of core habitat over and above the 210 hectares that is currently there today.

In addition to that, one of the major risk for the koala population there is Appin Road, and we have committed to an upgrade of Appin Road, including 2 substantial underpasses, to allow wildlife to traverse Appin Road safely. And we've also committed to 25 kilometres of fencing around the development, the road and to ensure the koalas have a safe and secure biodiversity, which will allow them on the important rivers between Nepean and Georges Highway. Now I'm sure you are aware that there are already some features on the land before we got there. There's a canal that carries water that's been there for, I think, over 100 years. It supplies 20% of the fresh water into the Sydney area. And there are certain constraints around that canal, which is not our Infrastructure, which do result in a pinch point at that area. But we believe that the outcome of all the things we are doing will actually end up with a situation that will allow not only the current koala population to be sustained, but the expert advice we have is that the combination of things that I've described that we are doing will result in a koala environment that will allow them to thrive when. In fact, if things were left as they are today, they most likely would decline.

And as a Board, I've been there and visited the site personally. Nicola Wakefield Evans, who chairs our Sustainability Committee, has been there as, has Tony. And we are very impressed the way our team



has been engaging and the plans they have to create an environment there with substantially improved environment for the koala population.

Dianna Pride: If I may reply to 2 aspects of what you've said, what -- if you are adhering to the Chief Scientist's advice -- and you mentioned 400-meter-width koala Corridor, why has Lendlease continued to fight the widening of the Naroomba-Menangle Creek corridor in Campbelltown local planning panels both in 2020 and 2022? Where at one point, the corridor was going to be 40 meters wide. Doesn't this go against the undertaking regarding meeting the Chief Scientist? That's my first comment.

And on the underpasses, I visited the underpasses up at the Ballina Bypass, where you had much wider underpasses with koala furniture that the koalas didn't have to walk on the ground. But the ones you're providing across Appin Road are very narrow.

Michael Ullmer: I don't actually believe the ones we're providing are very narrow. In fact, I think they are quite substantial. I will come back to you on that, but I believe -- we have to confirm this, but from memory, I think we have two underpasses that are in the order of 80 meters wide each. So I think it's actually quite substantial. The final design of those underpasses will obviously have to agree with -- be agreed with the road traffic authority, and that's something where we've been having extensive consultation.

Going back to your first point, I'm advised that the plans that we have now settled on are fully compliant with the Chief Scientist's recommendations. Thank you. Question?

Lendlease Representative: Chairman, I would like to introduce securityholder, Ms. Kerry Bible.

Michael Ullmer: Thank you, Mina, and welcome.

Kerry Bible: Thank you. Gathering from your talks, I expect that the shareholders will be expecting decreased dividends and probably lower share price until FY '24 when there's expected to be a turnaround or a slight improvement. My concern is, with the construction backlog, obviously, there are contracts that you've signed, and with inflation and shortage of supplies, et cetera, you've got to continue with that. So is that likely to all come to an end in FY '24? Or is this going to continue on? Because we haven't really done very well over the past years, share price or dividends, I'm sorry to say.

Michael Ullmer: Yes. Well, from a Board perspective, we have to agree with you, yes, the performance over the last 2 years has been disappointing. In terms of where the security price will go, obviously, that's determined by the market and will be based on many things, how they judge us, but also other things that are happening in the Australian economy and in the global economy.

In terms of the securityholder returns, yes, we have guided that, as our development book is growing as strongly as it is, part of the capital to fund that growth, which we require, will come from retaining a



slightly higher proportion of distributions or retained earnings. And that will result, on average, in a lower distribution going forward, and that's what we guided in the -- up until this FY '22, we typically distributed 50% of retained -- of the bottom line profit. And that was in the midpoint of our range of 40% to 60%. And in FY '22, we reduced that down to 40%, which is in the midpoint of the range that we've now revised to 30% to 50%. Clearly, the actual distribution will be determined every year based on the conditions by the directors.

With respect to our Construction book, as Tony indicated, we have a very substantial construction book. The way we operate at Lendlease is, when we are in a situation of being preferred on a particular contract with our client and we're going through the final phases, at that point, we will start to lock down supplies of whether it's materials, subcontracted trades, et cetera. So that when we come to be committed on the contract, we typically have a substantial proportion of the cost locked in, which gives us a degree of protection going forward.

With respect to our own labour, that is typically subject to enterprise agreements, which have long term -- longer terms, which give us a degree of protection around rising wages. So one of the things that's very important is to make sure that, whenever we're getting into these contracts, we're having regard to where prices are going, securing as much of that as we can upfront and making sure we have allowances in what we bid for future price rises.

Kerry Bible: Yes. But by your own words, the joint venture profit is going to keep going down. And my point is, is it going to keep going down after FY '24? Or do you think that will be the end of it and things will improve, you're going to get a bit more profit?

Michael Ullmer: Yes. What we've advised with respect to joint ventures -- and Tony, I'll get you to elaborate on this -- is that in the way we structure our joint ventures, the profit we will take being less profit in the early stages of those ventures and actually taking more of the profit down the track -- so actually, we do not see it to be on a declining pathway. Tony, is there something you want to add to that?

Tony Lombardo: What I would say, Kerry, is our development work in progress today sits at \$18.4 billion. And in the FY '23 year, we're going to complete about \$4.5 billion worth of work. Next year, we're on track to deliver more than \$8 billion of completions, which would mean we generate more profit. This is a point that Michael raised, those joint ventures are going to become less and less of what we do. So you will anticipate to see more of that margin being booked towards the back end. So profitability of Development segment should improve over time.

Kerry Bible: Good. The share price might go up.



Michael Ullmer: Thank you. Any other questions ?

Lendlease Representative: Chairman, I would like to introduce securityholder, Mr Parbury.

Michael Ullmer: Thank you Mina, Mr. Parbury.

Mr Parbury: Just one moment. This is a little low for me. Yes, so excuse the slightly less well informed amongst us. So I'm shaking because I'm cold. No surprise there. Anyway -- you mentioned, Chairman, you mentioned in your address that the overall loss was \$99 million loss. I appreciate that commercial property has taken a bit of a hit. But residential property has had an extraordinary boom in the last couple of years against, admittedly, against expectation for certainly many of us. And I just wonder how during a boom you managed to rack up a considerable loss. Okay, maybe not considerable compared to the amount of capital involved, but still a loss nonetheless.

Michael Ullmer: Yes. So the loss related to the actions that we advised back in August '21, so over a year ago, that we would be taking to restructure the business. So the primary drivers of that loss were the charges we had to take for redundancies and reducing staff levels. As a result of the reduced staff levels, we needed less accommodation in terms of office space and the like. And so we are progressively reducing the amount of accommodation we have. When you do that, if you have a lease that runs for, say, 5 or 6 years, you bring in a subtenant. And typically, that will be at a lower rate because of the current environment.

And so those factors together drove the primary portion of what resulted in us incurring an operating loss, a statutory loss, before those items, our operating profit was \$276 million. And your point around market values of residential is absolutely true in the sense if you look at the pricing that we've been receiving on some of our developments, I'd say, apartments here in Sydney and Barangaroo, they have been indeed very strong. So it was not as a result of that activity that we incurred a loss. It was because of the restructuring that Tony referred to earlier in setting our business up for the future on a lower cost base.

Mr Parbury: Okay. Well, it sort of begs the question, if you have problems during a boom, what are the problems going to be like during a slight slump? So yes, the other question I have is, will you be taking advantage of the downturn in property values to buy more land for future development?

Michael Ullmer: We certainly will be looking for opportunities, and that's part of, as Tony has been talking, from a strategic perspective, as we increase the weighting towards investments within our portfolio, and that includes looking for opportunities where there may be developments or other assets, which are depressed in value because of the current environment. And if they make sense from a



commercial point of view and they fit with our strategy, we certainly will be looking at them. We have done that already.

You may be aware that down at Circular Quay, the old Gold Fields House, we led a consortium that purchased that in the beginning of this financial year in August. That was as a result of the owner deciding that they were not going to proceed with that development, and that is absolutely fantastic opportunity, will probably be the best real estate development, both from apartments and hotel in Australia. And in addition, we've bought developments, 1 in North Sydney in last year has the same situation where the original developer was unable to finish it. And we believe we are -- it's a great opportunity for us to apply our sustainable development skills and come up with a fantastic opportunity there. But we've got to make sure that we are disciplined in the way we approach that and have regard to making sure things fit with our long-term strategy and make commercial sense.

Mr Parbury: Right. Well, fair enough. Just as a comment, the Ukrainian invasion was mentioned earlier in discussing the -- this FY '22 results. Since it didn't start until February, and it probably takes a while to kick in, I'm not sure whether that's a very valid reason for -- or to be slightly more blunt, excuse.

But just in responding to what you said a moment ago about leases, I appreciate some leases come to an end and are open to renewal, but aren't people committed to carry on paying their rent and committed to the lease and paying their rent even if they're in financial difficulty and they have a bit of a slump? So therefore, most of the commercial property won't -- aren't those people obliged to carry on anyway?

Michael Ullmer: Yes. I was referring to the leases that we had as tenants. With respect to the property that -- where we are the lessor, where our funds or ourselves own the property, we are at a situation where 97% of our offices that we own around the world are fully let. So the situation I was referring to was where we had the lease and we were leaving early. And of course, to the extent that we don't find a subtenant, absolutely, we will pay the rent. So that's not the issue.

With respect to Ukraine, it's important to understand with respect to our European business how dramatically that is affecting conditions in Europe and in the U.K. And we had a very specific example where a major capital partner of ours was talking to us through FY '22 on a transaction that was to be closed in June of that year, the financial year we're talking about. And that deal did not proceed because of all of the economic uncertainty that there is in Europe and the U.K. Now interestingly, that particular partner of ours, capital partner, did return to the table. And Tony, I believe, in October. And that deal was transacted in the current financial year at our original metrics.



But it just gives an indication of what's happening as people are deferring with all of this uncertainty. They're pausing commitments. They're waiting to see what happens. And real estate markets are very sensitive to that sort of thing happening. But it's a good question to ask, so thank you.

Mr Parbury: Thank you

Lendlease Representative: Chairman, I would like to introduce security holder, Ms. Jaclyn Weber.

Jaclyn Weber: I'd just like to acknowledge that you're sailing through tricky waters at the moment, and I appreciate the stability that you're holding in the company. I just wanted to thank you all for that. I guess, for many years, I've been picking up on some of the words along the lines of development sustainability and renewal. And I'm just wondering, in terms of this having been a primary development phase for you and the focus on urban renewal and social reconnection, just wondering what you're finding in terms of the development of some of your major developments in terms of environmental sustainability in the design of your buildings, such as water reticulation, solar, in terms of, a, the design that you love to do; b, the design that your clients are happy to buy; and c, in terms of the younger generations coming through that I think, I'm guessing, must be a major client for your clients who have a big investment in sustainability into the future. And there's some wonderful things around that you can do in building for that. Just I'm wondering how you're traveling with that.

Michael Ullmer: That's a great series of questions, and I'll get Tony to add some comments. But one of the things that sort of comes together on your 2 -- first 2 points, which is around what would we like to do and what do our clients want us to do, is actually the 2 come together because the clients very often come to us or we win large development opportunities because of what we bring to the table in terms of our social and sustainability credential. And these are demonstrated with precincts we have all around the world. I'm not sure if many people would be aware, but if you look at the fantastic development we did here in Sydney in Barangaroo, that was the first entire precinct that got a zero carbon recognition in the world.

And it's incredible, the number of people from around the world who have come to see that. And I mean ministers, planning ministers from the U.K., from the U.S. Many of our potential clients come to see what's being done there. They see what we've done in London in places like Elephant & Castle. They see what we've done. I'm showing my heritage. It was Elephant & Castle when I grew up there. Now it's Elephant Park. In the U.S. or in, say, Paya Lebar Quarter in Singapore. So these iconic projects we've done all meet the sort of standards -- sustainability standards you talked to.

And an important thing is that's really important to our investors as well as the clients for whom we build those developments because so many of the investors now around the world are saying that they are not going to invest in developments unless they have very high sustainability credentials. And why is



that? It's not for some altruistic purpose. It's because they know that those types of investments will be better in terms of protection against severe weather events coming from climate change. They will have lower running costs because of lower energy consumption, and they're also more attractive to tenants and offices and people if they're living there as residencies, far more attractive to live in and they're healthier.

And then from our younger cohort, we see that with our own people. One of the reasons that people come and join Lendlease out of university or wherever is because they find that what we do is so aligned to what they're expecting. But I can get quite passionate about this, so I'll turn to Tony for a more objective view.

Tony Lombardo: Yes. I think in terms of design, what we are trying to do is build the most sustainable buildings, and a number of our key customers and clients pick us because of that. And we created about 1,800 funds in the world. The office fund being the one that Michael talked about, our Barangaroo building, it is #1 in the office category. So it's proving that we are sort of leading the charge with what we've been doing probably over the last really 2 decades now.

The Comcentre Building recently in Singapore, we are picked by our key client there because of the sustainability credential. They will be the most sustainable office building being built. So we continue to make sure we're leading in that charge. But the key for us is to really get to absolute by 2040. And one of the key areas is actually working with our construction supply chain and changing the way we actually operate and do construction activities because that's the significant part of carbon across the group, so about 40% of carbon is emitted when you're actually in the construction phase.

So this year, it's really about in the next 15 years is how do we get smarter and eliminate that to 0. And that's the critical target. Simple steps this year in terms of our construction business in the U.K. We moved from using diesel to 98% of all of our equipment had moved to an alternative reducing carbon by some 90%. So those simple steps we're taking over the last 12 months are starting to pay tangible differences, and we will continue to innovate. And where we innovate, we're sharing all that with the market because we don't see it as something we keep as a secret. We're trying to make sure others in the industry follow us and we collectively move forward to really reduce carbon going forward.

Jaclyn Weber: Do you mind if I just ask 2 more questions? I'll be -- I won't be too long.

Michael Ullmer: Sure.

Jaclyn Weber: Coming out of -- I think all companies are in a difficult phase. Where do you see yourself -- I think when the rubber hits the road, yes, the value for shareholders, I think, is going to be



considerable, certainly for me. But where do you see your competitive difference is the first question into the future.

And the second question is, you mentioned mitigation earlier and the supply chain issues. And maybe we're in for a period of extended or more uncertainty. So I'm wondering what you picked up from that. There's big changes going on in supply chain. And I'm just wondering how you see yourselves moving into the future, reflecting and responding to everything that's been happening. Because that's quite critical, isn't it, in the business.

Michael Ullmer: Absolutely. So in terms of our competitive differentiation in the market, it really is what Tony has been -- was talking about there, which is clients seeing the way we come to the table with a genuine commitment to sustainability and to social value with a clear purpose of creating communities where people thrive. And that's genuine communities.

And one of the things that the team is looking very deeply at is the whole issue of the crisis in affordable housing and what is it we do. Because we operate across the whole spectrum, what gets the sort of news reports is what we do at the high end, but we operate across the whole spectrum of real estate. And we take it very seriously that we should be doing our part to work with governments to help them with this critical issue. And we have great experience globally in the space. For example, in London, where we have a substantial pipeline of forward work, because of the way things work in the U.K., that pipeline of, I think it's around 28,000 residences includes 7,000, which will be affordable. And that is part of our working in collaboration with the local authorities on a joint venture basis.

So that approach, the approach to sustainability is something which is not just a recent trend for us. Our founder, Dick Dusseldorp, back in the '50s and the '60s, he was right on to this a long, long time before it became fashionable. And so as it's been ingrained within our organization. And I think what has been demonstrated is we've been on the right side of history in that argument.

With respect to the supply chain, COVID, I think taught people around the world a lot of lessons. One of those lessons was to diversify the supply chain to not have undue reliance on one particular supplier or jurisdiction as to where you get supply from. And so we have worked very hard because we are a big player. We are able to command the attention of major global suppliers and have been able to identify and put in place alternate supply chains.

And then as Tony said, we're working very heavily with our supply chain to help them develop more sustainable ways of doing things, and whether it's low-carbon steel, low-carbon concrete, pioneering the use of mass engineered timber and all these sorts of things to create a more sustainable environment. So thank you.



Jaclyn Weber: And thanks for working with other corporates on different things as well.

Michael Ullmer: Pleasure. It looks like there are no more questions from the room. So I'll now turn to questions from Computershare's meeting platform. And Wendy, I think you're going to provide me with those questions.

Wendy Lee: Thank you, Chairman. We've received a question on the online platform. Will the Board consider allocating incentive payments suggested for Lendlease Directors/CEO, et cetera, to needy people affected by floods across Australia?

Michael Ullmer: So a couple of context points there. Directors, Nonexecutive Directors actually don't get any incentive payments, I should say upfront. Although if security holders would like to create a movement to start paying us bonuses, we'll be glad to do that. So to the extent nonexecutive directors have securities, we buy those out of our after-tax income. And that's appropriate. That's the way it should work. So it's taking away any view that we've got a sort of subjective interest in the outcome from a personal bonus point of view.

Clearly, executives do receive incentive payments. The way -- there are 2 ways of looking at this. From the personal point of view, I think it's up to each individual as to what they should be doing from their personal point of view as to philanthropy and where they want to donate funding, and it's not appropriate on this platform to be talking about what individuals do.

But at an organizational level and consistent with the discussion we were having just a moment ago, Lendlease does provide substantial support to needy people with -- we speak specifically about the floods. One of the key partners we work with is the Australian Red Cross. We provided an emergency support donation of \$100,000 directly to provide assistance to impacted communities. With respect to those disasters that have been happening, we also set up a dedicated donation page for our employees to donate. And you may be aware that we have the Lendlease Foundation, which was set up some 20 or 30 years ago. And that also provided sort of out of the foundation funds.

And then the final thing, which we do, given our expertise in construction and infrastructure, is we do offer project management support on a pro bono basis. And we've done that to both the New South Wales and the Queensland government. So it's an important thing, I think, for corporate Australia to have that sort of responsibility. And I also personally feel very strongly that it's important for us as individuals to have that responsibility. Wendy?

Wendy Lee: Thank you, Chairman. Another question on the platform. Why has Lendlease resorted to legal action in the Supreme Court, such as in the case of the Chevron apartments, rather than remediate defects in buildings that it is constructed (or assumed responsibility for the construction of)?



Michael Ullmer: So I assume the question here is talking about remediation of cladding on facades, which has been something that's been identified here in Australia and in other countries around the world. And that is where, notwithstanding that materials may have complied with building codes that were in place in the past. And therefore, buildings were constructed entirely within that subsequently has been identified that things could have been improved.

Our response at Lendlease has been, from the very moment that was identified some years ago as an issue, to examine every one of the buildings that we have constructed around the world to ensure that they are safe and in accordance with safety standards and the law. And that is our overriding priority. Both Tony and I made it very clear that, from an organizational point of view, health and safety is our #1 priority, and that's regardless of whether it's our employees, our subcontractors or the public that interact with us.

What we must do though is ensure that in situations where there is some doubt that we are very clear on what are the responsibilities because there may be cases where we have a view that something is actually perfectly -- in perfectly safe condition. There may be others, though, who have a different view. And therefore, in that situation, it is appropriate for us, I think, to resolve that -- obviously Endeavor to resolve it in a collaborative way, but there may be the rare situation where that's something where you need to get the -- an independent umpire to come in and advise you. But I think I would be very confident that Lendlease has been at the forefront of proactively responding to this situation.

Wendy Lee: Chairman, the following question is from Stephen Mayne. Tony Watson was the primary external tax adviser to Lendlease for 20 years, but then turned whistle-blower against the company over an ATO tax investigation, which has been dragging on for years. Would the Chair and CEO please summarize precisely what is in dispute, whether we've treated Mr. Watson fairly and what is the likely timetable of this matter to be finally settled, both with Mr. Watson and the ATO.

Michael Ullmer: I think it's important here to -- and thank you, Stephen Mayne, for that question. I think it's important here to distinguish between 2 things. One is the discussions we are having with the Australian Tax Office, the ATO. And as a separate issue, there is a court action that's been taken by Tony Watson that involves the firm he used to work with and also has brought us into that action as well.

So if I speak firstly about the interaction we're having with ATO, the action relates to some transactions relating to our Retirement Living business. And the particular matter is the sale of an interest in that business. We approached the tax office a year before that transaction was concluded and advice on what we were doing, how we're going to go about it. And then that was fully disclosed in our tax return in 2018.



Subsequently, there have been ongoing discussions with the Australian Tax Office about how that's been treated. We are of the view that it's entirely consistent with the rulings, the public rulings that are in place, and this matter has had very extensive public hearing. I would make it very clear that we are not in dispute with the tax office. So this -- whilst it seems to have gone on a long time, and it has indeed, it is a very complex matter. The way it is settled will have ramifications potentially, not just for Lendlease, but for the rest of the retirement living industry and potentially for corporate tax generally. And so it is a very significant matter that needs to be carefully thought through and resolved. But throughout this process, we have had strong engagement and collaboration with the tax office. They have been very open in the way they have been discussing with us. We are regarded by the tax office as a very open and trustworthy player. And I would hope that it will get resolved soon, but that is something where we have to come to the appropriate landing in our discussions with the tax office.

With respect to the matter involving Tony Watson, that is, as I'm sure, Stephen, you are aware, the subject of court proceedings. We vigorously will defend those proceedings because we believe Lendlease, as it always does, has acted with the utmost integrity in this matter. But given there is a legal process underway, I think, Stephen, you'd appreciate that it's inappropriate for me to say anything more on that matter. Wendy?

Wendy Lee: Yes. We've got a few more questions from Mr. Stephen Mayne. Did any of the 5 main proxy advisers, ACSI, Ownership Matters, Glass Lewis, ISS and the ASA render vote against any of today's resolutions, including the election of Nick Collishaw.

Michael Ullmer: Perhaps if I answer them as we go on. So Stephen, thank you for that question. So with respect to the proxy advisers, I can advise that every proxy adviser voted through their clients that they should vote in favour of every item -- I'm sorry, with respect -- obviously, then with respect to Nick, they were very, very comfortable that Nick will be and is a superb member of our Board.

Wendy Lee: Thank you, Chairman. From Stephen Mayne, has there been a material proxy protest vote against any of today's resolutions? These all relate to similar -- so Chairman, I'll just read them all. Will you disclose the proxy votes before the debate on each resolution so shareholders can ask questions about the reasons if there have been any proxy votes? Also, why not disclose the proxies to the ASX with the formal addresses like others now do?

Michael Ullmer: So thank you again, Stephen. And I know this is a question that you've raised before, and we've agreed to sort of agree as I know a number of my fellow chairs in the ASX do. So the real number of the question is that, as part of the process, and you folks here are coming along to participate in the meeting. People are doing that online and by telephone, but there will be typically large



institutional investors all around the world who submit their votes in advance of the meeting. And those folks had to be in by 10:00 on this last Wednesday morning.

So given that, as a Board and management, we clearly are aware of how those people have voted on each one of our resolutions. And then the question becomes, well, why don't we tell everyone in advance how everyone has voted to that point in time. And similarly, when we come to the next items on the agenda, why don't we put up those votes in advance so that you know how others have voted before you vote?

Now that doesn't happen when you have a general election. People don't go out and count all the postal votes in advance and then post to say, "Well, this is how Australia has voted so far. How are you going to vote on the day?" And so my personal view on this is that it could stifle debate, if you looked at the proxy of votes and something that you looked at that and you said, "Well, given it's going to be voted for in this way anyway, why should I bother to get up and ask a question?" So I don't think it would add to anything. In fact, I think it would probably most likely lead to a stifling of debate.

And so we will continue with our practice of putting up the proxy of votes after we've had the discussion, and you will then be in a position to see them. And obviously, they are then fully transparent. But Stephen, I put respect that you have a different opinion on this.

Wendy Lee: Thank you, Chairman. Another question or comment from Mr. Stephen Mayne. Thank you to Jane Hemstritch for a long contribution to the Board. As a final public contribution before retiring from the Board at the conclusion of today's meeting, could Jane comment on the 3 things she is most proud of about Lendlease's performance during her time on the Board and any regrets she might have?

Michael Ullmer: Well, it's easy for me to say this, I'm very happy for Jane to do that if she would like to. So Jane, without notice.

Jane Sharman Hemstritch, Lendlease Group

Without notice, an awful lot has changed at Lendlease during the period that I've been on the Board. And one of the things that I'm proud of to have contributed to is the fact that, when I started at Lendlease, some of the accounting systems were elderly, to say the least. And a big investment was made in replacing those and rolling them out globally so that Lendlease could behave as a global organization. And I'm proud that I was able to contribute when young Mr. Lombardo was in charge of this project to getting that project executed and successfully rolled out, not without some lumps and bumps, but we got there. And that my expertise was able to contribute to that, I feel very good about.

Not that I had much to do with it, but I'm tremendously proud of the company for what's been created during my tenure. Barangaroo was a slab of concrete when I started. And now it's a thriving downtown



sort of new heart of Sydney almost. I said that as a Melbournean, so clearly, I don't know what I'm talking about.

And I'm also extraordinarily proud of the stand that the company takes over safety and sustainability. It truly is a leader, I think, in corporate Australia. So those are the things that I think the company has made tremendous progress in over the period that I've been on the Board.

Regrets, I've had a few, but then again, too few to mention.

Michael Ullmer: Thank you, Jane. Wendy?

Wendy Lee: Chairman, another question. The company has announced a reduction in ROE due to the shift to the Investment segment. The company has also confirmed significant cost out from the reset process. Why cost out not enhancing the ROE going forward?

Michael Ullmer: So the good question there, the shift in -- or the reduction in the upper end of the ROE range. So just to recap, until that shift, our portfolio management framework has a range of 8% to 11%. That has been reduced to 8% to 10%. So the bottom end of the range stayed the same. The top end of the range has come down by 1%. The reason for that, and that's -- and we're talking forward-looking here is, as Tony talked about earlier, is that, as we shift the weighting of our business somewhat from development through to a heavier weighting on investment, the earnings you get from the investment part of the portfolio will be slightly less of a return on the invested capital, but should be more predictable, more steady, more what people call annuity earnings.

And the reason we're doing that is that we have very strong feedback from the market that the market would like to see Lendlease have a steadier stream of bottom line profits, which are less exposed to the inevitable volatility that you get in lumpier earnings from the development book, which is the earnings they are quite often driven by when projects complete and when they complete, they are obviously large-scale things that we do. So that is the reason. So there is a reduction caused by that strategic shift, but it should result in a steadier stream of earnings, which the market theoretically should put a higher value on.

Secondly, with respect to cost reduction, you're absolutely right. That is something that will drive a better bottom line outcome. And as I said in my opening remarks, the fact that we started on that journey 12 months or so ago, I think has been proved to be the right course of action, particularly given how the geopolitical and global economics are playing out in the current environment.

Wendy Lee: Chairman, the following question is from Stephen Mayne. Michael Ullmer joined the Board in 2011 and has been Chairman for 4 years. Is he intending to retire when his current term expires,



particularly given his length of service and the recent poor performance? And does Michael believe the next Chairman is currently on the Board?

Michael Ullmer: So in terms of a discussion around chairmanship and potentials, that's not something, Stephen, that it's appropriate to have at this juncture. But I can assure you is the way we have demonstrated our Board renewal over at least the last 5 years plus where we've brought on a highly credentialed director at least 1 every year. And we currently have a search underway for another director to come on in -- possibly based out of the U.K. or Europe, given our business there. We have Margaret Lui coming in, who's based up in Asia. I think we've demonstrated that we take very seriously Board, ensuring we've got the right skills and diversity around the Board table and that we have in place appropriate succession planning.

As you see with Jane stepping down from the Board, we have Margaret Lui joining the Board. So I can assure you we take all of those things very seriously. But that's a discussion that's not appropriate to be having in the public domain at this stage.

Wendy Lee: Thanks, Chairman. The following question is from Stephen Mayne. Aware Super is Australia's third largest industry fund managing \$125 billion, primarily for New South Wales public sector and workers in the health industry. The Lendlease annual report discloses that they are our largest shareholder with 8.56%, ahead of the 3 big global index funds, BlackRock, Vanguard and State Street, which each owned just above 6%. This is a very unusual situation for an industry fund to go so heavily into 1 stock, in this case, to the detriment of New South Wales public servants, given Lendlease shares have fallen from a peak of more than \$20 in 2019 to less than (inaudible) today. What is the history of Aware Super's huge investment in the Lendlease? And how does get from our engagement with them differ from the big global index funds, which are normally too widely invested to bother meeting with individual companies?

Michael Ullmer: Thank you, Stephen. There are a lot of assumptions in that question, and it's not for me to sort of go behind Aware's investment strategy. You do pull out some sort of points there around sort of stock presses in 2019, which -- as you will know from your close reading, Stephen, of annual reports, not of just this year, but years previously, predate when Aware would have come on our register. So that -- obviously, that's not relevant. We, as an organization, treat our responsibilities in meeting shareholders very seriously, and we do meet representatives of many of the large shareholding groups around the world. So I can only comment on Aware from the perspective of Lendlease. And what I would say from the perspective of Lendlease, and this is in the public domain, is that Aware have had an excellent relationship with us for a number of years in being one of our key capital partners.



And what we mean by that is, when we go into one of our large developments, we will typically bring in capital partners to invest alongside us. So if you look at something like Barangaroo, which we've talked about already, there are a number of large institutional investors who have invested directly into Barangaroo, not into our stock, alongside the investments we make. Now Aware have been a very strong partner of ours. We have relationships with them, where in our developments in the U.S. they are a strong capital partner, and that has been a wonderful relationship.

I think what that suggests, Stephen, is that Aware see good alignment between their values, what they stand for as an organization and our values and what we stand for. They clearly like what we do in terms of the product that we create, and they clearly see that it has long-term value. So the fact that they have chosen to then come on to our register at the top level in terms of owning an interest directly in the company suggests to me that it's a great validation of what we do as an organization and in the value that they see in Lendlease over the long term. Because quite properly, like all super funds, I would imagine that they have a long-term perspective on their investments.

Wendy Lee: Chairman, there are no more online questions on this item.

Michael Ullmer: So can we go to the telephone, please?

Operator: (Operator Instructions) There are no questions on the phone line at this time.

Michael Ullmer: Well, we've had a fantastic conversation, and I thank everyone for the questions they've raised. It shows great interest. And we, as a Board, this is the sort of thing that we welcome. I appreciate it's not over yet because we now get on to the resolutions.

And so I will now bring questions on Item 1 to a close, and we will move to the next item of business.

Now the first 3 resolutions relate to the election and re-election of directors. The experience and profile for the directors standing for election and re-election were included in the notice of meeting. And prior to seeking election or re-election of Nick Collishaw, David Craig and Nicola Wakefield Evans, they've confirmed that they would continue to have sufficient time to properly fulfill their director's duties of Lendlease Group.

So if I can turn now to agenda item 2A, relating to the election of Nick Collishaw as a director. Nick's experience and scores are outlined in the notice of meeting. Nick joined us during the year. So this is his first AGM. And then as is appropriate, he is putting himself forward for election. And Nick, I'll ask you to say a few words.

Lendlease Representative: Thank you, Chairman. Good morning, everyone. I'd also like to thank Lendlease investors for the opportunity to be considered as one of your representatives providing independent oversight and strategic input to the group's operations. Having held both senior



management and leadership roles in similar organizations with investment and development experience here in Australia, the U.S., United Kingdom and in the Middle East, I believe my skill set complements the skills of the existing Board members.

Over my career, now spanning just over 40 years, I've had the opportunity to learn from experienced business leaders. I've had great mentors and I've learned the value of diversity of thought. I look to bring this experience together with my real estate and business knowledge to your Board. I've held public company roles since 2001, including the James Group, Mirvac Group, Centuria Capital and Redcape Hotel Group. And I've chaired many unlisted investment entities.

I'm also a founding partner of a boutique funds management group, Lincoln Place, whose business is in the development, investment and provision of affordable seniors accommodation here in Australia. With your support, I look forward to working alongside your existing Board members and assisting management to deliver the best performance that Lendlease can offer.

Michael Uilmer: Thank you, Nick. We will now take questions related to the election of Nick as a director. Are there any questions from security holders here in the room? No. It looks like there are no questions here in the room. So Wendy, I'll turn to questions from the Computershare meeting platform.

Wendy Lee: Thank You, Chairman. The following question is from Stephen Mayne. One of Nick Collishaw's most recent public company roles was as Chairman of Redcape Hotel Group, Australia's second largest listed poker machine operator, with the concentration of venues in Western Sydney. On October 26, the New South Wales Crime Commission released a damning report about money laundering through poker machines in New South Wales pubs and clubs. Could Nick Collishaw comment on his personal approach to ESG, including how he dealt the risks of poker machine money laundering when he chaired Redcape, which was privatized in 2021? Given the Chair was also a long-term director of Woolworths when it was the largest poker machine operator until the 2021 Endeavour Group demerger, could he also comment on what steps you took to mitigate money laundering in the Australian gambling industry and whether the Crime Commission report surprised him.

Michael Uilmer: Wendy, thank you. And Stephen, thank you for the question on that important topic of poker machines. My judgment is that both parts of that question, the first part to Nick, the second part to me, are actually -- and they're very specific to poker machines, which I don't think is something relevant to the meeting here today to the business that we're considering with respect to the Lendlease Group, so that's not something that I think is appropriate for either Nick or me to be commenting on, poker machines in the context of Lendlease business.

So Wendy, are there any other questions on...



Wendy Lee: Chairman, there are no further online questions on this item.

Michael Ullmer: Thank you. So Wendy, shall we move to questions on the telephone?

Operator: There are no questions on the telephone at this time.

Michael Ullmer: Okay. So if you have not -- so sorry, no more questions. Let me first show the proxy position. So this is the matter that Stephen was questioning early. So these are the way the proxies have voted with respect to the election of Nick.

If you've not already voted, please select one of the voting options for this resolution. And as I mentioned earlier in the meeting, as voting on all items will not close until the end of the last item, the results of all resolutions will be lodged on the ASX following the conclusion of the meeting. But as you can see, there's been a very strong level of support for Nick, which I think is absolutely appropriate.

Turning now to agenda item 2B, a round of applause from our Company Secretary, relating to the re-election of David Craig as a Director. The skills, experience and qualifications of David are set out in the notice of meeting, and David will now say a few words.

David Paul Craig, Lendlease Group

Thank you, Mr. Chairman. Good morning, fellow shareholders. It's an honour and privilege to serve as a Director of this iconic Australian and global company. As Nick has mentioned as well, the strength of the Board comes from diversity of thought and experience. In my own case, I bring finance, strategy, operational leadership and property skills. I started my career as an auditor with PricewaterhouseCoopers and was an auditor there for 25 years. I was also the Head of Strategy and Operations for the Australasian firm before moving to become the Global Chief Financial Officer of PwC Consulting based in the U.S.

When I returned to Australia, I became the Chief Financial Officer of Australand Property Group, which is now part of what's called Frasers Property Group in Australia. And after leaving Australand, I joined the Commonwealth Bank as the Chief Financial Officer, where I served for 11 years through the global financial crisis, leading a team of 2,500 finance and property staff.

Throughout my executive career, I've had a passion for property. Not surprisingly, therefore, I ran the property portfolios of the last 3 employers for a total of 22 years. So I've had a lot of experience in different aspects of property. And also not surprisingly, I'm passionate about this company, and I thought I'd just tell you a little bit about what I've been doing as a director. I chaired the Audit Committee, and I'm a member of the People and Culture, Risk and Nominations Committees. I've worked with internal audit through the Audit Committee to help strengthen their approach and remit.



On people, I'm a very strong advocate of improving engagement. And one of the things that you would know from the strategic realignment we're going through with Reset is cultural change is really difficult, and I bring some experience in that space. I've mentored members of the finance and risk community. When I -- when we go around the world as we have recommenced doing, I'm pleased to say, I sit down with the local finance and internal audit teams to make sure that they're getting an ear at the Board level, at a global level, and we're listening and hearing what's going on around the world.

As a customer of Lendlease, as I said, with 22 years of running property portfolio as I was lucky enough to be a customer of Lendlease for quite a while, but I've got a good understanding of what it's like to be a customer and the customer perspective and putting customers first. And so I've been helping Lendlease think that through.

And finally, working with our Board colleagues and the leadership team to help shape the strategy for the next phase of growth. I believe this company has a great future, and I'm sure that most of you do as well as you're here to support the company today. I offer myself for re-election and would very much appreciate your support.

Michael Ullmer: Thank you, David. We will now take questions relating to the re-election of David as a director. For security holders in the room who would like to ask questions, please make your way to a microphone and show your attendance card to either Mina or Lizzie

There are no questions in the room. Wendy, are there any online questions?

Wendy Lee: Yes, Chairman. The following question is from Stephen Mayne. When a major project is blowing out and there are high-stakes negotiations with governments, partners and subcontractors, such as what occurred with the metro tunnel project in Melbourne, how does the Board balance the approach between fully disclosing the situation to the market and preserving a negotiating position. As an independent director, could David Craig comment on when and how the Board gets involved in these decisions? What are the monetary delegation levels under which management can settle a dispute without seeking specific full Board approval?

Michael Ullmer: I think for a question like that, which Stephen is going very much to Board governance, as opposed to an individual director, I think it's probably fairer that I should answer that. And what I would say on this is that, with respect to any contractual matter of the nature you describe, management in my experience on the Board have always been very transparent in bringing it to the attention of the Board very quickly. And so as Chair -- and I know David Crawford, my predecessor, would also say the same, we've been very impressed that the preparedness of the CEOs at the time to flag up issues very quickly. And then we make a judgment as to whether that's something where we need to engage with the Board immediately or whether it's something that we would bring up the next



available Board meeting. And so with respect to any matters of the nature you describe, I can assure you that there is heavy involvement from the Board in terms of both supporting management, identifying ways forward, making sure that management are handling the matter in the right way, ensuring also that we support the recommendations going forward or alternatively suggesting and requiring, in some cases, alternative pathways. So that's the way that process works from the perspective of continuous disclosure. Your question around, well, when do you put these things out into the public domain, again, I think Lendlease we've shown very strongly the trust and integrity with which we treat the market in the sense that you clearly it's inappropriate when things are stood in the discussion phase, ideas and positions are still being formulated that, that happens within the confidential confines of the company. But at the moment that you have something which is an obligation, you then advise the market of any matter that may be sensitive from a price point of view. So that's the way we approach that, and I'm very confident we do that in an appropriate fashion, Stephen. Any other questions?

Wendy Lee: Yes. The following is from Stephen Mayne. Chair, the proxy screen was not visible for those watching online. Please read out the percentage in the favour figure. Given the lack of debate, surely you can see that now the benefit of early proxy votes disclosure to the ASX providing timely advice to 165,000 shareholders, rather than the strawman argument that advising the ASX is somehow inhibiting debate at the AGM. More than 99% of voted stock is done by proxy alone. So this comparison with post an election day political voting is not valid. As Board candidates, you already have the data, unlike politicians. Please share it across all platforms in a timely manner.

Michael Ullmer: So Stephen, to anyone online, if you're unable to see that screen come up, because I was making the assumption that whatever we see in the room here, you can see, I apologize, online, but Wendy, I'm sure somebody is looking into that as they should do. But to help you, I will call that out. So with respect to the proxy firstly that we've just done on Nick Collishaw, the votes -- proxy votes in favour of Nick re-election were 98.98%.

And we will read out the proxy votes that have been received in advance for the subsequent resolutions, just in case there's a need for clarity on that. So thank you, Stephen, for pointing that up.

And by the way, I'm not going to re-litigate the point. You have your view. I've expressed mine, and I respect you're right to have that. So thank you. So any more questions online for David?

Wendy Lee: Chairman, there are no further online questions on this item.

Michael Ullmer: Are there any questions from security holders who have telephoned into the meeting?

Operator: Chairman, there are no questions on the telephone at this time.



Michael Ullmer: As there are no more questions, I will show the proxy position. And if you've not already voted, please select one of the voting options for the resolution. And while you're doing that for the re-election of David Craig, the votes for are 92.28% and against is 7.27%. Open is 0.45%. And that relates to votes that are available to vote at the meeting. So some of those will be where the proxies have said that they will give those voting rights to me. And as I've said at the beginning of the meeting, I intend to vote all of those in favour of the resolutions, which, given the directors put the resolutions forward, is the natural thing to do.

So I think we should now turn to agenda item 2C, which is relating to the re-election of Nicola Wakefield Evans as director. Skills, experience and qualifications of Nicola are also set out in the notice of meeting. I will invite Nicola to say a few words. Nicola?

Nicola M. Wakefield Evans, Lendlease Group

(inaudible) this opportunity. It's a great privilege to be considered for the re-election to the Lendlease board at this Annual Meeting. And I'm delighted to speak in support of my re-election. I'm very honoured to be -- you can see -- I've got a problem because I have the chair league. So...

Michael Ullmer: You've got the chair leg.

Nicola Wakefield Evans: I've got the chair leg. So just a second. Let's see if we can. Thanks, Nick.

Michael Ullmer: I apologize. Nicola, can you just start again?

Nicola Wakefield Evans: Yes, I will. I'll start again. So thank you, Chair. It's a privilege to be considered for re-election to the Lendlease Board at this Annual General Meeting, and I'm delighted to speak in support of my re-election. I'm very honoured to be a Director of this great iconic Australian company. I would like to make the following points about how I contribute to Lendlease.

In addition to my role on the Board, I'm the Chair of the Sustainability Committee. And I also want to call out I was delighted with all the questions we've had already today on sustainability. I'm a member of the Risk, Audit and Nominations Committees. And I also participate in a number of internal and external events, panels and industry events as a Lendlease director. This gives me a broad exposure of the Lendlease business and the industries in which we operate.

As you will see from my credentials in the annual report, I'm an experienced senior executive and Non-executive Director. My exposure to many high-performing organizations during my career has enabled me to understand the importance of having a great culture, values and organizational resilience and never -- we've really had to -- those over the last couple of years.



I'm also very interested in the development of leadership capability, diversity and sustainability and believe that I can bring this experience from other successful organizations to my work on the Lendlease Board. As an experienced senior executive and Nonexecutive director, I have deep technical knowledge across a number of -- that are relatively in lease, including property and construction, financial services, resources, energy, infrastructure, transport, transport and logistics in Australia and globally.

I also have over 30 years' experience as a corporate finance lawyer where I'm qualified to practice in Australia, Hong Kong and the United Kingdom. I've also lived and worked in Asia and North America and have worked with a number of businesses globally in many sectors. This experience enables me to have an appreciation of the complexity and diversity of the global operations of Lendlease and enables me to contribute effectively to the Board's oversight of Lendlease's global operations.

Lendlease has a great Board with a broadness of skills and experience, and I'm thrilled to be part of it and this very dynamic company. Thank you very much for considering my re-election. I can assure you that I will continue to dedicate both the time and commitment to fulfill my duties to Lendlease and its shareholders. I, therefore, offer myself for re-election to the Board of Lendlease and very much appreciate your support. Thank you.

Michael Ullmer: Thank you, Nicola. We will now take questions relating to the re-election of Nicola as a director. Are there any questions in the room, please? Mina?

Lendlease Representative: Good morning, Chairman. I would like to introduce securityholder, Diana Pride.

Michael Ullmer: Thank you again.

Diana Pride: Nicola, I'd like to know if you would accept an invitation from Save Sydney Koalas to meet with us, I'm the Secretary, to listen to our concerns regarding the Mt. Gilead development in relation to koalas.

Nicola Wakefield Evans: I'd be delighted to. I went out with -- as you've heard the Chairman, I went out to the development at Gilead early this week, in fact. And I took a lot away from that experience, and it's part of what we do as directors. We like to see as many of our developments as possible because you can get a whole lot of information on with board papers, but nothing prepares you, I think, unless you've had that real experience, so yes.

Diana Pride: It could be online or we can meet you out there in person.

Michael Ullmer: Thank you for making that offer. It's much appreciated. Any more questions in the room? No. Wendy, are there any questions online?



Wendy Lee: Chairman. The following question is from Stephen Mayne. Margaret Lui was announced as a director on September 28 and the ASX announcement said that she would be standing for election at today's AGM, but not formally joining the Board until December 1. As a lawyer, could Nicola comment on why Margaret wasn't put up for election today when we initially said that she would be? Was it something to do with how many directors have to be elected each year and who was up for election? Also, what was the recruitment process for Margaret's appointment? Was a head-hunter involved? And did the Board interview multiple candidates?

Michael Ullmer: So Stephen, thank you for that question. I think, first up, Wendy, do you -- can you just read the first paragraph of the press release or the ASX release, sorry, that Stephen refers to?

Wendy Lee: Yes, of course, Chairman. Dated the 28th of September 2022, Lendlease appoints Ann Soo Chan Margaret Lui to the Board. Lendlease today announced the appointment of Ann Soo Chan and Margaret Lui to the Lendlease Board as an independent Nonexecutive Director effective 1st of December 2022. Ms. Lui will stand for election at Lendlease's Annual General Meeting on 17th of November 2023.

Michael Ullmer: Stephen, I think it's pretty clear from the ASX release that we said she would be appointed on 1 December 2022. They do say that facts spoil a good argument. So with respect to the other matters you raised, we are discussing now the re-election of Nicola and not the election of Margaret, which will be covered at next year's AGM as is appropriate. So I don't think we need to go any further with that question. Thank you. Wendy, anything else?

Wendy Lee: I'll just give the platform a few minutes.

Michael Ullmer: Just as we're doing that, I am advised that, Stephen, if you're still online, that there are other people online who have been able to see the proxy votes that we put up on the screen. So it may be that there's a specific issue or it may be impacting by the people. So I will continue to read out the proxy votes as we go through that process.

Wendy Lee: There are no further online questions on this item.

Michael Ullmer: Thank you, Wendy. Are there any questions from security holders on the telephone into the meeting?

Operator: Chairman, there are no questions on the telephone.

Michael Ullmer: As there are no more questions, I will show the proxy position. That is on the screen. Those voting for the re-election of Nicola is 93.75%, against 5.81% and open 0.44%. So if you've not already voted, please select one of the voting options for this resolution. And meanwhile, we will now



turn to agenda item 3, which relates to the consideration of the 2022 remuneration report, which can be found in our annual report and on the company's website.

The remuneration report explains how our performance has been linked to reward outcomes for our key management personnel at Lendlease this year. The Board has made a number of significant changes to our remuneration that applied from 1 July 2021, following an extensive program of stakeholder engagement and careful consideration of stakeholder feedback. These changes are set out in detail in our remuneration report. And I should also note that they were covered in last year's remuneration report for the 2021 AGM and received widespread support from you, our security holders.

So it's now -- I'll turn to turn to questions on the remuneration report. So security holders, firstly, we'll go to the room. Please make your way to either Mina or Lizzie. If you would like to ask a question, please show them your attendance card. There do not appear to be any questions in the room. So Wendy, we now go to the Computershare meeting platform, are there any online questions?

Wendy Lee: Thank you, Chairman. The following questions are from Stephen Mayne. When disclosing the outcome of voting on all resolutions today, including the remuneration report, could you please advise the ASX how many shareholders voted for and against each item, similar to what happens with the scheme of arrangement? This will show respect for retail shareholders and provide a better gauge of retail sentiment on all resolutions and was a disclosure initiative adopted by the likes of Metcash, Ultium and Dexus last year and Webjet and Tabcorp so far in this AGM season.

Also, the annual report says, out of total shareholder numbers dropped from 70,148 to 65,944 over the last 12 months. Were there particular brokers that had a sell recommendation on Lendlease?

Michael James Ullmer, Lendlease Group - Independent Non Executive Chairman of the Board 111

So with respect these are sort of more general questions, but Wendy, can you just advise the meeting of what we advised the ASX with respect to the voting?

Wendy Lee: Yes, sure. A poll will always reflect holding percentages and the level of ownership, and the ASX corporate governance combines clearly recommend that listed companies proceed by way of a poll. So we'll take your suggestions on board for future AGMs, and we will always put the full results on the ASX after voting closes and after Computershare has collated all the votes and that they've been scrutinized by KPMG.

Michael Ullmer: Okay. Thank you very much, Wendy. So hopefully, Stephen, that covers that point. With respect to particular brokers and the like, at the end of the day, for every person selling a share, by definition, there's someone buying a share. So I'm not sure where we can take that point around the number of shareholders. So -- and also, I don't quite see the relevance with respect to our remuneration



report at the moment. So that's something that I certainly ask, Tony, if you and the team can reflect on that. And if there is something that is relevant to our security holders, we can bring that up in a subsequent meeting. Thanks, Tony. Thank you, Stephen. Any other questions?

Wendy Lee: There are no further online questions on this item.

Michael Ullmer: Okay. So let's move to questions from the telephone. Are there any questions from security holders who have telephoned into the meeting?

Operator: Chairman, there are no questions on the telephone at this time.

Michael Ullmer: Okay. So as there are no more questions, I will show the proxy position. So those voting for the remuneration report is 88.69%. That's just under 400 million votes, against 10.86%, that's just under 49 million votes and open is 2 million votes or 0.45%. So for the resolution, 88.69%.

Okay. I'm very pleased now -- sorry -- I'm very pleased now to see that it looks like our remuneration report will receive greater than 75%. That's relevant because below that level you talk about receiving a first strike, which is something that has some carriage in the media on with other companies every year, but we are well in excess of that level at just under 89%. So thank you for your support on that, security holders.

Before we turn to the last item of business, I remind security holders and proxy holders that voting will close on all items following the conclusion of this next item. And please take this chance to vote on any items now.

Resolution 4, being our last business -- item of business today, relates to the approval of location of performance rights to our Chief Executive and Managing Director. Securityholder approval is being sought to allocate performance rights as a long-term award to Tony under Lendlease's Executive Reward strategy. Lendlease Group uses performance rights to create alignment between Tony and security holders and to provide Tony with the full benefit of ownership securities, such as distributions and voting rights, but only when those performance rights vest. The full details are set out in the notice of meeting. So security holders, if you wish to ask a question, please make your way to the microphone attendants, to either Mina or Lizzie, and show your attendance card.

There do not appear to be any questions in the room. Wendy, if we go to the Computershare platform, are there any questions online?

Wendy Lee: Yes. The following questions are from Stephen Mayne. Would the CEO summarize his past LTI grants as to whether they are vested or lapsed? Also, has he ever sold any ordinary shares in the company or bought any on market without relying on an incentive scheme to build his equity position



in the company? Please don't say look up in the annual report and through ASX announcements. It's complicated. And the CEO could effectively summarize the situation in 30 seconds.

Michael Ullmer: I'm happy for Tony to address that. I'll just make an overriding observation, which is long-term awards are very much about providing long-term incentives, by the definition, and really to incentivize our senior executives to remain committed to the company and continuing to deliver for us. That's absolutely essential that they align to the performance of our security holders. So when our security holders have a disappointing performance, as they have done in recent years, that has to be mirrored in the performance that our senior executives who received long-term awards. And obviously, Tony is the most senior executive who receives the largest long-term award. And as we set out in our remuneration report -- and I can assure you, it is not something of pride. Those long-term awards that are subject to performance testing have not vested in the last 4 years. And unfortunately, you as security holders can understand why that would be. But that as a preamble, Tony, can you just respond to Stephen's questions? Thank you.

Tony Lombardo: Well, over the last 4 years I haven't received any LTI or performance rights, so they've all lapsed. In terms of my holdings today, I have 167,000 broken into 26,000 direct shares. I have a number of restricted awards through my program, and that's some 80,000 shares. And then I have through this year, as we went back to part of my STIs paid in cash and part of that is paid in deferred stock, I have some 59,000 rights. So that's a total of 167,000. And then I've got a number of grants awarded to me over the last 4 years of some 320,000 deferred performance rights, which need to get performance tested. Hopefully, that's only 30 seconds.

Michael Ullmer: So as you can see, firstly, not surprisingly, Tony has across his incentives. Secondly, he is seriously invested in the company and has every incentive to do things that will deliver the security holder performance that we would like to see and what we're striving for. And thank you for answering it in 30 seconds.

Are any more questions online, Wendy?

Wendy Lee: Yes, Chairman. The following question is from Stephen Mayne. There was a 10% vote against the rem report despite all proxy advisers recommending in favour. This is very unusual. Voting is not a secret ballot for the directors. Are you aware you voted against? Was it Aware Super? Has a similar protest vote being lodged on the LTI grant? And what was the issue that drove the rem protest vote?

Michael Ullmer: So first off, I don't think it's appropriate to be talking about how individual security holders have voted, and many people would find that quite unusual. Secondly, you're absolutely right, Stephen, that with all proxy advisers voting in recommending a vote in favour, normally, one would see



a higher proportion of security holders supporting the resolution. As you note, it is just over 10% have voted against. So another way, being an optimist, who looks on the positive side of things, it does mean almost 90% voted for. What I would say is, when you have a statutory loss, there will be some people who will say, "We don't care what management achieved. And it's not around effort. It's around what's delivered and what's achieved. We don't care what they've achieved in other areas. They don't deserve to get anything."

And that may be where people are coming from. There may be people who like us are disappointed with where the security price has traded. I would note, by the way, that all real estate stocks have come off. But Lendlease, I acknowledge, has come off further than some. And that, I suspect, reflects the fact that we have a global exposure to places like the U.K. We're clearly going through some political turmoil and the like at the moment. So there will be a range of factors.

And when people are unhappy, one of the ways of expressing that is by voting against the remuneration report. That is entirely their right. It's something that the Board takes extremely seriously. And we respect the right of shareholders to express their views in that way. But at the end of the day, I'm very pleased that we have the level of support that we have had for that resolution.

Any other questions, Wendy, online?

Wendy Lee: Not a question, but a comment from Stephen Mayne, Mr. Chairman. Thank you for reading out all my questions without censorship today. Chair performed well in difficult circumstances and are clearly across the brief. Well done last year for producing your first AGM transcript. In addition to publishing an archive of the webcast, will you do this again this year?

Michael Ullmer: So the answer to that, Stephen, as we try and do in all things, which is to continually improve and to set leadership standards, and we absolutely will be publishing the full transcript. So the point Stephen is making there is that, for many people, it's useful to see literally the verbatim transcript of everything that happened at this meeting, and we published that in full for the ASX last year. We do that again this year. And Stephen, for someone who is so experienced in the field and take such an active interest, thank you for the comments with respect to my performance, and I will continue to try and live up to your expectations.

So are there any questions on the telephone from security holders?

Operator: Chairman, there are no questions on the telephone at this time.

Michael Ullmer: So if there are no more questions, I will show the proxy position. And so whilst you're thinking about doing your votes. So in favour, there's just over 431 million shares, 95.5%, in favour; against 18 million, which is 4%; and open, just under 2 million, which is 0.43%. So the votes in advance



of the meeting are 95.5%. And of course, we would add to those the votes that are being cast at the moment. And then the aggregate of all of those is what gets published on the ASX as the outcomes from the meeting.

So I don't think there is any other business. We -- if you are in the room and not voting online via the QR code and instead have completed the blue voting card, they will now be collected by Computershare staff in the room. But I noticed with Mina, we do have somebody with a question. So just, everyone, if you can just wait a second. Mina?

Lendlease Representative: Chairman, I would like to introduce securityholder, Mr. Ian Smith.

Ian Smith: Chairman, I have a question not related to any of the agenda items, so I thought I'd leave it to the end.

Michael Ullmer: Sorry, I'm happy to take the question, but if we can get there fairly quickly, in respect to anybody else. Yes. I'm aware of that.

Ian Smith: My son, wife and I are all small shareholders in Lendlease. I was also an employee of the group for a period of time. My question is left field. And for that reason, I thought it appropriate that the Board have the opportunity to decide whether this question should be considered. The feedback I received from Wendy was in order to put to the meeting.

Let me read what I sent to them a few weeks ago. The situation in the Ukraine is tragic. Lendlease can do nothing to influence or ameliorate the current suffering. But wars end. And when they do, reconstruction is critical for the survivors. Lendlease is a leading global construction firm and can participate in that reconstruction. However, there is a way that Lendlease could contribute more. Time will be critical for reconstruction. And while construction takes time, a significant amount of time is involved in design and planning. Could this start now on a project-by-project basis? Could Lendlease on a pro bono basis, using its leadership position in the industry, bring people together to work now and get ready for when the conflict ends?

The Ukraine people will need hospitals, schools and housing, all projects that Lendlease has executed. Innovative design will be required to ensure these buildings can be built quickly and could be built for purpose. Is Lendlease up for that challenge? And if Lendlease isn't, could it assemble it -- who I'm sure would relish the challenge?

These people need help. The world's governments are doing what they can. Is it time for the world's corporations to start doing what they can?

Michael Ullmer: Thank you, Ian, and thank you for that very thoughtful question. Russian's illegal invasion of Ukraine has resulted in widespread tragedy, and it's obviously having massive global



ramifications. Let me talk about what we've done already and then also what we should reflect on with respect to your question.

So already, one of the first things we did as a Board was to reach out to our European business because there will be -- that is the most likely area where there would be Ukrainian employees, for example, that had relatives or whatever. The refugees coming into Ukraine -- from Ukraine into the U.K., particularly, but also into Italy where we have a business. And so we very much supported management reaching out in whatever way they could to facilitate receiving those people. And we also obviously have a number of employees with connections into Ukraine.

As you are aware, we don't operate in Ukraine. In Europe, we operate only in the U.K. and in Italy. And we have contributed more than \$200,000, both from ourselves and from our people globally, to our humanitarian partner, the Australian Red Cross for use across several humanitarian programs in the Ukraine.

You raised a very thoughtful point around to what extent could we be supporting the mobilization effort, either directly within ourselves or with using our capability and our alumni and others to mobilize some -- a response. And it's also interesting, the announcement just yesterday from Andrew Forrest about the support he's making.

So I think that is a very interesting idea, Ian, and I can assure you that at our next Board meeting, I will -- I'll ask management now to start thinking about responding to that. How would we do that? Is it appropriate? We've got to be careful that we don't spread into areas that are not relevant for us, but there are -- if there are areas where we can see that makes sense and we can add value, then certainly, we will consider it. And Ian, we will come back to you and let you know what we decide to do. Okay. Thank you.

With that, I'm pleased to note the support for Tony's award. And well done, Tony. And so ladies and gentlemen, that concludes the formal items of business for today's meeting. The poll has now closed on all items, and I declare the meeting closed. As Wendy mentioned, we will announce the results of the poll to the ASX later today, and we will also make the results available on the company's website.

In closing, let me thank all of you for all your commitment and support throughout the year, and we thank you all for attending today, either in person or virtually. Now for those of you who attended in person, we on the Board and management are delighted if you join us shortly for light refreshments upstairs in the foyer. Thank you very much.