



International Union Of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

April 26, 2018

Dear Douglas Emmett Shareholder:

The International Union of Operating Engineers (IUOE), a shareholder of Douglas Emmett, Inc. (NYSE: DEI), is calling on all shareholders to **vote AGAINST** the nomination of “independent” board member Thomas O’Hern, due to Douglas Emmett’s failure to properly disclose a materially significant conflict of interest regarding Director Thomas E. O’Hern.

The facts are simple and straightforward:

1. Mr. O’Hern has served as an Officer of The Macerich Company (NYSE:MAC) since 1993. His current title is Senior Executive Vice President, Chief Financial Officer and Treasurer.¹
2. Mr. O’Hern became a Director of Douglas Emmett in 2006. He is currently chair of Douglas Emmett’s Audit Committee.²
3. In 2008, Macerich signed a ten-year lease with Douglas Emmett, moving its headquarters to the Douglas Emmett owned building at 401 Wilshire Boulevard in Santa Monica, CA.³ The lease was reportedly renewed in the spring 2018.⁴
4. From 2008 – 2018, Macerich has paid Douglas Emmett annual rents increasing from approximately \$2.5 million to \$5 million.⁵
5. Up to 2015, various 8Ks and 10Ks filed by Douglas Emmett list Macerich as between the third and fifth largest tenant of the company.⁶
6. Douglas Emmett Proxy Statements for the years 2008 – 2018 **never** disclose that Macerich is a tenant of Douglas Emmett in Mr. O’Hern’s biography, and the relationship is further **never** disclosed as a related party transaction.⁷
7. On March 10, 2017, Macerich sued Douglas Emmett in Los Angeles County (Santa Monica) in a dispute over a five-year lease extension. The lawsuit was settled and dismissed under undisclosed terms on April 6, 2018.⁸

¹ The Macerich Company, Schedule 14A, April 18, 2017

² Douglas Emmett, Inc., Schedule 14A, April 17, 2017

³ The Macerich Partnership, L.P. v. Douglas Emmett 1995, LLC et al, Case No.: SC127215, Los Angeles County Court

⁴ <https://globalpropertyinc.com/index.php/2018/04/06/macerich-renews-lease-in-santa-monica-headquarters-sources/>

⁵ The Macerich Partnership, L.P. v. Douglas Emmett 1995, LLC et al, Case No.: SC127215, Los Angeles County Court; Douglas Emmett, Inc., Form 8-K, August 4, 2015

⁶ Douglas Emmett, Inc., Form 8-K, August 4, 2015; Douglas Emmett, Inc., Form 10-K, February 27, 2015; Douglas Emmett, Inc., Form 8-K, July 31, 2014; Douglas Emmett, Inc., Form 10-K, February 27, 2014; Douglas Emmett, Inc., Form 8-K, May 7, 2013; Douglas Emmett, Inc., Form 10-K, February 24, 2012; Douglas Emmett, Inc., Form 10-K, February 26, 2010; Douglas Emmett, Inc., Form 8-K, August 5, 2009

⁷ Douglas Emmett, Inc., Schedule 14A, all years 2008 to 2017

⁸ The Macerich Partnership, L.P. v. Douglas Emmett 1995, LLC et al, Case No.: SC127215, Los Angeles County Court

8. The April 16, 2018 Proxy Statement filed by Douglas Emmett again failed to disclose the tenant relationship in Mr. O’Hern’s biography and/or as a related party transaction, and further fails to disclose the litigation between Douglas Emmett and Macerich and the terms of the recent settlement.⁹ Nor has any subsequent filing disclosed this information.

For eleven straight Proxy Statements, Douglas Emmett shareholders have been deprived of relevant information about the full nature of the relationship between Douglas Emmett and Macerich before they have cast their votes to reelect Mr. O’Hern as a director.

Now this undisclosed relationship has created a clear conflict of interest for Mr. O’Hern. He cannot effectively represent the interests of shareholders of both Douglas Emmett and Macerich. Indeed, Douglas Emmett’s own 2018 Employee Manual clearly defines a “Conflict of Interest” as “work simultaneously for one of our competitors, tenants or suppliers, even as a consultant or board member.”¹⁰

We believe that the full nature of the relationship between Douglas Emmett and Macerich should have been disclosed to shareholders in Proxy Statements since 2008, and certainly should have been disclosed prior to the 2018 annual meeting of shareholders after Macerich sued Douglas Emmett.

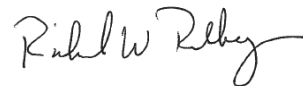
We also raise concerns over the long tenure – approximately 12 years – of Douglas Emmett’s auditor, Ernst & Young, given Mr. O’Hern’s post as Douglas Emmett’s Audit Committee Chair.

Additionally, we note that more than 20 percent of Douglas Emmett’s shareholders withheld their votes from Mr. O’Hern and the other members of the Nominating and Corporate Governance Committee at last year’s annual meeting. ISS recommended a vote against these directors because the company prohibits shareholders from amending the bylaws.

Douglas Emmett should be required to make a full and complete disclosure to shareholders as soon as possible, including the terms of the Macerich-Douglas Emmett dispute settlement. And Douglas Emmett shareholders should **vote AGAINST** Mr. O’Hern’s nomination to the company’s board of directors.

Documents from the Macerich v. Douglas Emmett litigation, the tenant lease, and other information related to this matter can be found online at www.DE-Tenants.org. IUOE affiliate, Local 501, currently has a labor dispute with Douglas Emmett.

Sincerely,



Rick Rehberg
Director of Special Projects
202-778-2658
rrehberg@iuoe.org

⁹ Douglas Emmett, Inc., Schedule 14A, April 17, 2017

¹⁰ “Douglas Emmett Employee Manual-California,” 2008