



# ASX Announcement.

GROWTHPOINT  
PROPERTIES



18 October 2019

## Growthpoint Properties Australia (ASX:GOZ) 2019 Annual General Meeting

Please see attached the following documents:

- Notice of Meeting and Explanatory Notes for the 2019 Annual General Meeting of Growthpoint Properties Australia Limited and meeting of the unitholders of Growthpoint Properties Trust to be held concurrently (**Meeting**); and
- Proxy form for the Meeting.

These documents are being despatched to securityholders today.

The Meeting will be held on Thursday 21 November 2019 at 2pm (AEDT) at the offices of Herbert Smith Freehills, Level 42, 101 Collins Street, Melbourne, Victoria. The Meeting will also be webcast live from <https://edge.media-server.com/mmc/p/epgxq8bg>.

**Jacqueline Jovanovski**  
Company Secretary

### For further information, please contact:

**Investor Relations and Media**  
Virginia Spring, Investor Relations Manager  
Telephone: +61 3 8681 2933

### Growthpoint Properties Australia

Growthpoint Properties Australia is a publicly traded ASX listed A-REIT (ASX Code: GOZ) that specialises in the ownership and management of quality investment property. Growthpoint owns interests in a diversified portfolio of 58 office and industrial properties throughout Australia valued at approximately \$4.0 billion and has an investment mandate to invest in office, industrial and retail property sectors.

Growthpoint is included in the S&P/ASX 200 Index and has been issued with an investment grade rating of Baa2 for senior secured debt by Moody's.

Growthpoint aims to grow its portfolio over time and diversify its property investment by asset class, geography and tenant exposure through individual property acquisitions, portfolio transactions and corporate activity (M&A transactions) as opportunities arise.

Growthpoint Properties Australia Trust ARSN 120 121 002  
Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

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www.growthpoint.com.au

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PROPERTIES



# 2019 Annual General Meeting Notice of Meeting & Explanatory Notes

**Meeting date:**

Thursday 21 November 2019

**Meeting time:**

2:00pm (AEDT)

**Investor Registration:**

1:30pm (AEDT)

**Venue:**

Herbert Smith Freehills,  
Level 42, 101 Collins Street,  
Melbourne, Victoria

If you are unable to attend the Meeting, please complete the proxy form and return it in accordance with the instructions in the Notice of Meeting and on the proxy form.

## What's inside

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## Further Information

You should read this document in full. It contains important information to assist you in your voting decisions.



Investors are encouraged to read the 2019 Annual Report prior to the Meeting. A PDF of the Annual Report can be viewed online at: [growthpoint.com.au/investor-centre/annual-results/](http://growthpoint.com.au/investor-centre/annual-results/)



### Lodgement of proxy forms and authorities

To be valid, your proxy form (and any power of attorney or other original authority under which it is signed or a certified copy of it) must be received no later than **2.00pm (AEDT) on Tuesday, 19 November 2019**. Proxy forms must be lodged by:

- > **post** in the reply paid envelope provided or to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001;
- > **facsimile** to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- > **online** at [www.investorvote.com.au](http://www.investorvote.com.au).

Intermediary custodians only may submit their proxy forms online at [www.intermediaryonline.com](http://www.intermediaryonline.com).

## A message from the Chairman



**Geoff Tomlinson**

Independent Chairman & Director

18 October 2019

Dear Securityholder,

I cordially invite you to join us at the 2019 Annual General Meeting of Growthpoint Properties Australia which will comprise an Annual General Meeting of the shareholders of Growthpoint Properties Australia Limited (**Company**) and a meeting of the unitholders of Growthpoint Properties Australia Trust (**Trust**) to be held concurrently (**Meeting**).

Enclosed is the Notice of Meeting which sets out the business to be dealt with at the Meeting and the accompanying Explanatory Notes and proxy form. The Meeting will be held at the offices of Herbert Smith Freehills, located at level 42, 101 Collins Street, Melbourne, Victoria, 3000 on Thursday, 21 November 2019 at 2.00pm (AEDT).

The items of business to be considered at the Meeting are Growthpoint Properties Australia's FY19 financial reports, adoption of the Remuneration Report and annual re-election of directors, which are consistent with items of business considered in previous years.

We are also seeking approval:

- > of proposed grants of performance rights to the Managing Director pursuant to his short and long term incentive arrangements;
- > of the appointment of Ernst & Young as the Company's auditor following a decision to rotate the audit appointment for good corporate governance; and
- > to ratify the issue of securities pursuant to the recent institutional placement so that it is not considered in calculating Growthpoint Properties Australia's 15% placement capacity, which will provide flexibility to manage its capital requirements.

The Board recommends that securityholders of Growthpoint Properties Australia (**Securityholders**) vote in favour of each resolution to be considered at the Meeting.

If you will be attending the Meeting, please bring your proxy form to facilitate processing of your registration, which commences at 1.30pm on Thursday, 21 November 2019. If you attend the Meeting, there is no need to complete the proxy form.

If you are unable to attend the Meeting, I encourage you to complete your proxy form. To be valid, your completed proxy form must be received at the Company's Share Registry no later than 2.00pm (AEDT) on Tuesday, 19 November 2019. For further details, see the notes accompanying the Notice of Meeting and on the proxy form.

Yours sincerely

Geoff Tomlinson  
Independent Chairman

## Notice of Meeting

**Notice is given that the Annual General Meeting of shareholders of Growthpoint Properties Australia Limited (Company) will be held concurrently with a meeting of the unitholders of Growthpoint Properties Australia Trust (Trust) (together, Growthpoint Properties Australia) at the offices of Herbert Smith Freehills, located at level 42, 101 Collins Street, Melbourne, Victoria on Thursday, 21 November 2019 at 2.00pm (AEDT) (Meeting).**

### Item 1: Financial Reports – Company and Trust

To receive and consider the financial reports and the reports of the Directors and the auditors in respect of Growthpoint Properties Australia for the financial year ended 30 June 2019.

**Note:** There is no requirement for Securityholders to approve these reports.

### Item 2: Remuneration Report – Company only

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

*“That the Remuneration Report of the Company as contained in Growthpoint Properties Australia’s Annual Report for the financial year ended 30 June 2019 be adopted.”*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

### Item 3: Re-election of Directors – Company only

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions of the Company:

- (a) *“That Mr Estienne de Klerk be re-elected as a Director of the Company.”*
- (b) *“That Mr Francois Marais be re-elected as a Director of the Company.”*

### Item 4: Approval of FY19 Transitional Long Term Incentive (LTI) grant of Performance Rights to Timothy Collyer (Managing Director) – Company and Trust

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company and Trust:

*“That for the purposes of ASX Listing Rule 10.14 and all other purposes, the grant of FY19 transitional long term incentive Performance Rights to Timothy Collyer under the Growthpoint Properties Australia Employee Incentive Plan, in accordance with the rules of the Plan and on the terms set out in the Explanatory Notes, is approved.”*

### Item 5: Approval of FY20 Forward-looking LTI grant of Performance Rights to Timothy Collyer (Managing Director) – Company and Trust

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company and Trust:

*“That for the purposes of ASX Listing Rule 10.14 and all other purposes, the grant of FY20 forward-looking long term incentive Performance Rights to Timothy Collyer under the Growthpoint Properties Australia Employee Incentive Plan, in accordance with the rules of the Plan and on the terms set out in the Explanatory Notes, is approved.”*

### Item 6: Approval of FY19 Short Term Incentive (STI) grant of Performance Rights to Timothy Collyer (Managing Director) – Company and Trust

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company and Trust:

*“That for the purposes of ASX Listing Rule 10.14 and all other purposes, the grant of FY19 short term incentive Performance Rights to Timothy Collyer under the Growthpoint Properties Australia Employee Incentive Plan, in accordance with the rules of the Plan and on the terms set out in the Explanatory Notes, is approved.”*

### Item 7: Appointment of Ernst & Young as Auditor of the Company – Company only

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*“That, Ernst & Young, having consented to act, be appointed as auditor of the Company, with effect from the conclusion of the Company’s 2019 Annual General Meeting.”*

### Item 8: Ratification of Issue of Stapled Securities – Company and Trust

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company and the Trust:

*“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, the issue of Growthpoint Properties Australia Stapled Securities pursuant to the institutional placement announced on 27 June 2019 and as described in the Explanatory Notes, is ratified.”*

### Voting Exclusions

The following voting exclusions apply in respect of voting at the Meeting.

#### Voting exclusion statement for Item 2

The Company will disregard any votes cast on Item 2:

- › by, or on behalf of, a member of the key management personnel (KMP) named in the Company’s Remuneration Report for the year ended 30 June 2019 or their closely related parties, regardless of the capacity in which the vote is cast; or
- › as a proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 2:

- › in accordance with a direction on the proxy form; or
- › by the Chairman of the Meeting in accordance with an express authorisation to exercise the proxy even though the item is connected with the remuneration of the KMP.

## Notice of Meeting

continued

### Voting exclusion statement for Items 4, 5 and 6

Growthpoint Properties Australia will disregard any votes cast on Items 4, 5 or 6:

- > in favour of the relevant resolution by, or on behalf of, Timothy Collyer (Managing Director) or any of his associates, regardless of the capacity in which the vote is cast; or
- > as a proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Items 4, 5 or 6 (as applicable):

- > in accordance with a direction on the proxy form; or
- > by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though the item is connected with the remuneration of the KMP.

### Voting exclusion statement for Item 8

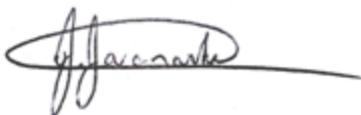
Growthpoint Properties Australia will disregard any votes cast in favour of Item 8 by or on behalf of any person who participated in the issue of Growthpoint Properties Australia stapled securities (**Stapled Securities**) or any associates of those persons, unless the vote is cast as proxy for a person who is entitled to vote on Item 8:

- > in accordance with a direction on the proxy form; or
- > by the Chairman of the Meeting in accordance with a direction in the proxy form to exercise the proxy as the Chairman decides.

ASX has granted a waiver to allow Growthpoint Properties Australia to limit the application of ASX Listing Rule 14.11 so that votes cast on Item 8 by a Securityholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary (**Nominee Holder**) need not be disregarded, subject to the following conditions:

- > the beneficiary has provided written confirmation to the Nominee Holder that they did not participate in the issue of Stapled Securities, nor are they an associate of a person who participated in the issue of Stapled Securities;
- > the beneficiary has directed the Nominee Holder how to vote on Item 8; and
- > the Nominee Holder does not exercise discretion in casting a vote on behalf of the beneficiary.

**By order of the Board of the Company and the responsible entity of the Trust.**



Jacqueline Jovanovski  
**Company Secretary**

18 October 2019

## Explanatory Notes

**These Explanatory Notes provide Securityholders of Growthpoint Properties Australia with information in respect of the items of business to be considered at the Meeting. Securityholders should carefully review these Explanatory Notes, which form part of the attached Notice of Meeting (Notice).**

### Item 1: Financial Reports – Company and Trust

The Growthpoint Properties Australia 2019 Annual Report (comprising the financial report, Directors' report and auditor's report for the Company and the Trust) for the year ended 30 June 2019 was sent to Securityholders in advance of this Notice.

Securityholders will be given a reasonable opportunity at the Meeting to raise questions on the financial statements and reports. Securityholders will also be able to ask questions of the current auditor, KPMG.

### Item 2: Remuneration Report – Company Only

There will be an opportunity for Securityholders at the Meeting to comment on and ask questions about the Remuneration Report which is contained in the Growthpoint Properties Australia 2019 Annual Report at pages 32 to 53 (**Remuneration Report**).

The vote on the proposed resolution in Item 2 is advisory only and will not bind the Directors or the Company, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

**The Board unanimously recommends that Securityholders vote in favour of adopting the Remuneration Report.**

### Item 3: Re-election of Directors – Company Only

Mr Estienne de Klerk and Mr Francois Marais retire in accordance with rule 11.1(e) of the Company's Constitution and are standing for re-election as Directors of the Company at the Meeting.

Biographical information for Mr de Klerk and Mr Marais is set out below.



**Estienne de Klerk**  
BCom (Industrial Psych), BCom (Hons) (Marketing), BCom (Hons) (Accounting), CA (SA)

Mr de Klerk is Managing Director of Growthpoint Properties Limited in South Africa, a Director of V&A Waterfront Holdings, past President of the South African Property Owners Association and Chairman of the Tax and Legislation Committee of the South African REIT Association. He has over 22 years of experience in banking and property finance and has been involved with listed property for over 16 years with Growthpoint's mergers, acquisitions, capital raisings and operating service divisions.

Mr de Klerk was appointed as a Director of the Company on 5 August 2009. He is a member of the Audit, Risk & Compliance Committee.

The Board does not consider Mr de Klerk to be an independent Director as he is the South African CEO of Growthpoint Properties Limited, which is the majority Securityholder of Growthpoint Properties Australia.



**Francois Marais**  
BCom, LLB, H Dip (Company Law)

Mr Marais is an attorney and is the practice leader and senior director of Glyn Marais, a South African corporate law firm which specialises in corporate finance. He is Chairman of Growthpoint Properties

Limited in South Africa and a Director of V&A Waterfront Holdings (among other directorships). He has over 28 years of experience in the listed property market.

Mr Marais was appointed as a Director of the Company on 5 August 2009 and is a member of the Nomination, Remuneration & HR Committee.

The Board does not consider Mr Marais to be an independent Director as he is Chairman of Growthpoint Properties Limited, which is the majority Securityholder of Growthpoint Properties Australia.

**The Board (in each case in the absence of the relevant director) unanimously recommends that Securityholders vote in favour of each of the re-elections.**

### Items 4, 5 and 6: Approval of grants of Performance Rights to Timothy Collyer (Managing Director) - Company and Trust

#### Changes to the STI and LTI arrangements and rationale for transitional LTI

In 2018, the Board undertook a comprehensive review of Growthpoint Properties Australia's remuneration framework to bring it more in line with market practice. Commencing from the 2019 financial year (**FY19**), the Board has implemented a new forward-looking LTI arrangement.

Given that the new LTI arrangement is forward-looking, there is a transition period with the current backward-looking plans continuing to operate with steadily reducing opportunities until they are phased out completely (which will coincide with the first vesting under the new LTI structure around 30 September 2021). The 2020 financial year (**FY20**) will be the final year in respect of which transitional LTI awards are made. Set out at page 6 is a diagram showing the interaction between the historical, transitional and new LTI arrangements.

The Nomination, Remuneration and HR Committee asked PwC to review these transitional arrangements and they found that there is no advantage/disadvantage of the transitioned arrangements to either Growthpoint Properties Australia or the executive KMP.

Commencing FY19, the Board also introduced deferral for part of the STI awarded to executive KMP, moving from 100% payment in cash to two thirds payment in cash, with the remainder of the STI outcome deferred and awarded as STI Performance Rights.

#### Managing Director's entitlements to STI and LTI Performance Rights

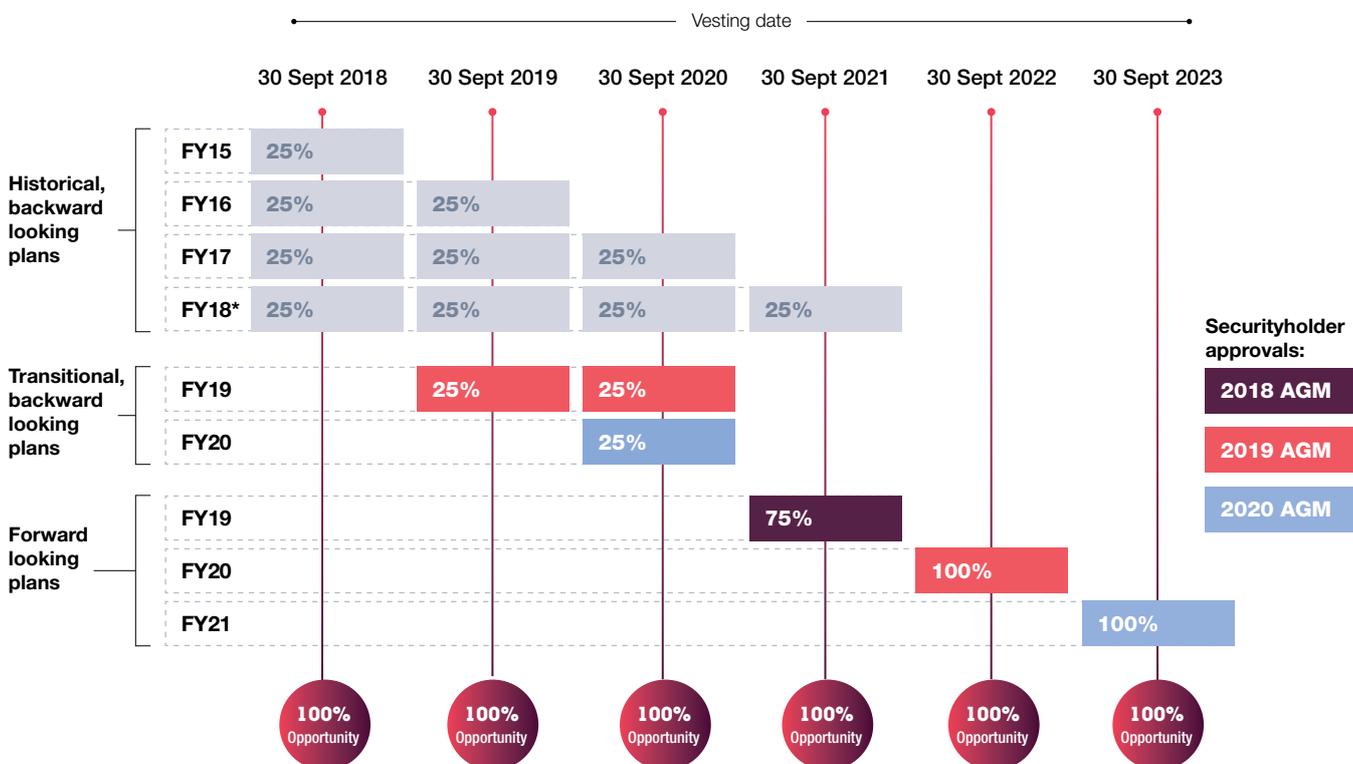
Under Growthpoint Properties Australia's transitional LTI arrangements, Timothy Collyer, Managing Director, is eligible to receive a grant of 70,972 Performance Rights (Item 4) (**FY19 Transitional LTI Award**). This award reflects the outcome of his FY19 transitional LTI plan opportunity (**FY19 Transitional LTI Opportunity**) following testing against the backwards-looking Performance Conditions described at page 7.

Under Growthpoint Properties Australia's new forward-looking LTI arrangements, Mr Collyer is eligible to receive a grant of 185,185 Performance Rights for the LTI performance period commencing 1 July 2019 (Item 5) (**FY20 Forward-Looking LTI Award**). This award has forward-looking Performance Conditions and will be capable of vesting following testing after 30 June 2022.

## Explanatory Notes

continued

Set out below is a diagram showing the maximum potential LTI awards (subject to the performance condition hurdles being met) made or proposed to be made to Mr Collyer pursuant to the historical, transitional and new LTI arrangements.



\* No LTI awards were made (and Securityholder approval sought) as the performance condition hurdles were not met.

Under the terms of his employment contract, Mr Collyer's LTI maximum is 80% of his total fixed remuneration (TFR). The transitional LTI arrangements outlined above ensure that Mr Collyer can only receive a maximum of 80% of his TFR in LTI's in any given year.

Mr Collyer is also eligible to receive a grant of 64,824 STI Performance Rights (Item 6) (FY19 Deferred STI Equity Award) as the deferred component (\$237,256) of his FY19 STI outcome (\$711,839). This is the first time that approval is sought for the issue of STI Performance Rights as previously, all STI outcomes have been paid in cash. Further details regarding Mr Collyer's FY19 STI outcome are set out in the Remuneration Report.

### Approval sought from Securityholders

Growthpoint Properties Australia is seeking the approval of Securityholders for the grant of Performance Rights under the FY19 Transitional LTI Award, the FY20 Forward-Looking LTI Award and the FY19 Deferred STI Equity Award to the Managing Director, Timothy Collyer, under the Growthpoint Properties Australia Employee Incentive Plan (Plan) and on the terms set out below.

Securityholder approval is being sought for Items 4, 5 and 6 for the purposes of ASX Listing Rule 10.14, given that Stapled Securities delivered to Mr Collyer upon vesting of the Performance Rights may be newly issued Stapled Securities.

### Item 4: Key terms of the FY19 Transitional LTI Award

**Maximum Entitlement** Mr Collyer had a FY19 Transitional LTI Opportunity of \$377,364. Due to the change in the LTI structure from FY19, this amount reflects the maximum opportunity of 50% of his usual maximum entitlement of 80% of his TFR.

**Number of Performance Rights** Following testing of the Performance Conditions outlined in this Item 4 over the Performance Period, Mr Collyer is entitled to receive 70,972 Performance Rights equivalent to 82% of the FY19 Transitional LTI Opportunity (i.e. a grant of Performance Rights with a value of \$309,438).  
The number of Performance Rights was determined by dividing the value of his grant by the volume weighted average price (VWAP) of Stapled Securities calculated for the 20 trading days prior to (but not including) 30 September 2019 (\$4.36).

**Explanatory Notes**

continued

**Vesting and Vesting Dates**

50% of the Performance Rights comprising the FY19 Transitional LTI Award will vest shortly after they are granted, with the balance to vest on or around 30 September 2020.

Subject to the Plan Rules, each tranche of Mr Collyer's Performance Rights will only vest if he remains employed by Growthpoint Properties Australia on the applicable Vesting Date.

**Performance Period and Performance Conditions**

(retrospective performance)

The Performance Period for the FY19 Transitional LTI Opportunity was 1 July 2018 to 30 June 2019, however the performance conditions were subject to a three year measurement period ending 30 June 2019.

The two Performance Conditions which applied to the FY19 Transitional LTI Opportunity were:

**Total Securityholder Returns (TSR) Performance Condition – 50% weighting**

TSR is defined as being the amount of dividends/distributions paid/payable by Growthpoint Properties Australia during the measurement period and the change in the price at which Stapled Securities are traded between the beginning and the end of the measurement period.

50% of the FY19 Transitional LTI Opportunity was subject to a Performance Condition reflecting Growthpoint Properties Australia's TSR benchmarked relative to the relevant members of the S&P/ASX A-REIT 300 Accumulation Index over a rolling three year period ending on 30 June 2019 (**TSR Component**).

The proportion of the TSR Component which will be granted to Mr Collyer as Performance Rights was determined by reference to Growthpoint Properties Australia's TSR ranking as set out in the following vesting schedule:

| <b>Growthpoint Properties Australia's TSR rank in the relevant comparator group</b> | <b>% of TSR Component to be granted as Performance Rights</b>  |
|---|--|
| <i>At or below the 50th percentile</i>  | Nil  |
| <i>At the 51st percentile</i>   | 50%  |
| <i>Between 51st and 76th percentile</i>   | Straight line pro rata vesting between 50% and 100% (i.e. plus 2% for each percentile above the 51st percentile) |
| <i>At or above 76th percentile</i>  | 100%   |

**Return on Equity (ROE) Performance Condition – 50% weighting**

ROE measures the total return on equity employed and takes into account both capital appreciation of the assets of Growthpoint Properties Australia and cash distributions of income. The return will be calculated on the starting net tangible assets (**NTA**) per Stapled Security and includes the change in NTA per Stapled Security over the measurement period plus the distribution made as a return on the starting NTA per Stapled Security.

50% of the FY19 Transitional LTI Opportunity was subject to a Performance Condition reflecting Growthpoint Properties Australia's ROE benchmarked relative to the relevant members of the S&P/ASX A-REIT 300 Accumulation Index over a rolling three year period ending 30 June 2019 (**ROE Component**).

The benchmark is calculated as the weighted average ROE of those relevant members in the S&P/ASX A-REIT 300 Accumulation Index. The weighting is by the adjusted index weight of the comparator group, excluding Growthpoint Properties Australia.

The proportion of the ROE Component which will be granted to Mr Collyer as Performance Rights was determined by reference to Growthpoint Properties Australia's ROE performance as set out in the following vesting schedule:

| <b>Growthpoint Properties Australia's ROE</b> | <b>% of ROE Component to be granted as Performance Rights</b> |
|---|---|
| <i>Below benchmark return</i>                 | Nil   |
| <i>Achievement of benchmark</i>               | 50%   |
| <i>Between 1% and 2% above the benchmark</i>  | Straight line pro rata vesting between 50% and 100%           |
| <i>At 2% or more above benchmark</i>          | 100%  |

For both Performance Conditions, the Board has the discretion to adjust the comparator group to take into account events including, but not limited to, de-listings, takeovers, and mergers or de-mergers that might occur during the measurement period, or where it is no longer meaningful to include a company within the comparator group.

**Distribution and voting entitlements**

Performance Rights do not carry any dividend or voting rights prior to vesting. Stapled Securities allocated on vesting of Performance Rights carry the same dividend and voting rights as other Stapled Securities issued by Growthpoint Properties Australia.

## Explanatory Notes

continued

### Cessation of employment

#### Ceasing employment for cause or due to resignation

Where employment with Growthpoint Properties Australia is terminated for cause or ceases due to resignation (other than due to death, ill health or disability), all Performance Rights Mr Collyer holds will lapse, unless the Board determines otherwise.

#### Ceasing employment for other reasons

If employment ceases at any time for any other reason (including due to death, ill health, disability or bona fide redundancy), all Performance Rights Mr Collyer holds (whether or not the applicable Performance Conditions and/or service condition has been satisfied) as at the date of cessation of his employment will remain on foot and remain subject to the terms of the offer of the Performance Rights, as though he had not ceased employment. However, the Board retains a discretion to determine to vest or lapse some or all of the Performance Rights.

### Takeover or Scheme

In summary, the Plan Rules provided that in the event of each of:

- > a takeover bid being recommended by the Board or becoming unconditional; and
- > a scheme of arrangement, reconstruction or winding up of Growthpoint Properties Australia being put to members,

some or all of Mr Collyer's Performance Rights may vest or may remain on foot at the Board's discretion.

### Clawback

The Board has broad "clawback" powers to determine that Performance Rights lapse, Stapled Securities are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of fraud or dishonesty).

## Item 5: Key terms of the FY20 Forward-Looking LTI Award

### Maximum Entitlement

Mr Collyer has a maximum opportunity of \$800,000 in respect of the FY20 Forward-Looking LTI Award (80% of Mr Collyer's TFR for FY20).

### Number of Performance Rights

185,185 Performance Rights, which has been determined by dividing Mr Collyer's maximum entitlement by the VWAP of Stapled Securities calculated for the 10 trading days after 30 June 2019 (\$4.32).

### Performance Period (prospective performance)

1 July 2019 to 30 June 2022

### Performance Conditions (prospective performance)

Similar to the FY19 Transitional LTI Award, the FY20 Forward-Looking LTI Award is subject to equally weighted TSR (50%) and ROE (50%) Performance Conditions (with TSR and ROE calculated in the same manner).

For the FY20 Forward-Looking LTI Award, Growthpoint Properties Australia's TSR and ROE will each be benchmarked relative to the relevant members of the S&P/ASX A-REIT 200 Accumulation Index over the Performance Period. This index replaces the S&P/ASX A-REIT 300 Accumulation Index used historically in relation to TSR and ROE. Due to Growthpoint Properties Australia's market capitalisation, this index is judged to be a more relevant comparator group.

The percentage of Performance Rights that vest, if any, will be determined by reference to the vesting schedules for the TSR and ROE Performance Conditions applicable to the FY19 Transitional LTI Award, summarised in Item 4 above.

For both Performance Conditions, the Board has the discretion to adjust the comparator group to take into account events including, but not limited to, de-listings, takeovers, and mergers or de-mergers that might occur during the Performance Period, or where it is no longer meaningful to include a company within the comparator group.

### Testing of Performance Conditions

The Performance Conditions will be tested once, after the end of the Performance Period, around 31 August 2022. Achievement against the Performance Conditions will be determined by the Board in its absolute discretion, having regard to any matters that it considers relevant (including any adjustments for unusual or non-recurring items that the Board considers appropriate).

The number of Performance Rights that vest (if any) will be determined by the Board following completion of testing. Any Performance Rights that do not vest will lapse immediately.

The treatment of the Performance Rights granted as part of the FY20 Forward-Looking LTI Award on cessation of employment or on the occurrence of a takeover or scheme and the terms applicable in respect of distribution, voting entitlements and clawback are the same as the terms of the FY19 Transitional LTI Award, summarised in Item 4 above.

## Explanatory Notes

continued

### Item 6: Key terms of the FY19 STI Performance Rights

It is intended that the deferred component of Mr Collyer's STI outcome (\$237,256) will be provided to him in the form of 64,824 STI Performance Rights. This number has been determined by dividing the dollar value of the deferred equity component of the STI outcome by \$3.66, being the VWAP of Stapled Securities over the first 10 trading days in FY19.

The FY19 STI Performance Rights will vest as follows:

- > 50% will vest on 30 June 2020; and
- > the balance will vest on 30 June 2021,

subject to service, dealing and forfeiture conditions.

The STI Performance Rights do not carry any voting rights prior to vesting and Mr Collyer will receive a cash amount in lieu of any distributions that he would have received as if he held Stapled Securities instead of Performance Rights at the time any distributions are paid by Growthpoint Properties Australia.

The treatment of the STI Performance Rights on cessation of employment or on the occurrence of a takeover or scheme is the same as the terms of the FY19 Transitional LTI Award, summarised in Item 4 above.

### Additional information in relation to Items 4, 5 & 6:

- > Mr Collyer is the only Director (or associate of a Director) entitled to participate in the Plan under which the STI and LTI awards are granted.
- > Since the 2018 Annual General Meeting, Mr Collyer received for nil consideration 154,657 FY19 forward-looking performance rights which was approved by Securityholders at that meeting and 81,339 Stapled Securities pursuant to historical LTI plans which were previously approved by Securityholders.
- > There are no loans to be granted to Mr Collyer in connection with the Plan.
- > If approval is given under ASX Listing Rule 10.14 for Items 4, 5 and 6, approval will not be required under ASX Listing Rule 7.1.
- > If approval is obtained for Items 4, 5 and 6, it is anticipated that the relevant Performance Rights will be granted to Mr Collyer shortly after the Meeting, and in any event, no later than 12 months after the Meeting.
- > The Performance Rights comprising Items 4, 5 and 6 will be granted at no cost to Mr Collyer and no amount is payable on vesting of the Performance Rights.
- > On vesting, each Performance Right granted to Mr Collyer will entitle him to receive one fully paid Stapled Security which will rank equally with other Stapled Securities.

**The Board (with Mr Collyer abstaining) unanimously recommends that Securityholders vote in favour of the proposed resolutions.**

### Item 7: Appointment of Ernst & Young as Auditor of the Company – Company Only

KPMG has been the auditor of the Company since the financial year commencing 1 July 2009. Given KPMG's tenure, the Board considered it good corporate governance to rotate the audit appointment and sought proposals from leading audit service providers following which, the Directors proposed the appointment of Ernst & Young (**EY**) as auditor of the Company. Under the Corporations Act, shareholders must approve the appointment of a new auditor of the Company.

KPMG has submitted its resignation as auditor to the Company and the Australian Securities and Investment Commission (ASIC) has consented to KPMG's resignation as the Company's auditor, effective from the conclusion of the 2019 Annual General Meeting of the Company.

EY has provided its consent to its appointment as auditor of the Company, subject to the approval of shareholders.

It is proposed that EY be appointed the Company's auditor. A copy of the nomination of EY as auditor of the Company is included below.

**The Board unanimously recommends that Securityholders vote in favour of this resolution.**

30 August 2019

The Secretary

Growthpoint Properties Australia  
Level 31, 35 Collins Street  
Melbourne, VIC 3000

Dear Ms Jacqueline Jovanovski

#### **NOMINATION OF ERNST & YOUNG AS AUDITOR OF GROWTHPOINT PROPERTIES AUSTRALIA**

For the purposes of Section 328B(1) of the Corporations Act 2001, I, Dion Michael Andrews being a Securityholder of Growthpoint Properties Australia hereby nominate Ernst & Young as auditor of Growthpoint Properties Australia Limited at the Annual General Meeting to be held on 21 November 2019.

Yours Sincerely



Dion Michael Andrews

## Explanatory Notes

continued

### Item 8: Ratification of issue of Stapled Securities – Company and Trust

On 27 June 2019, Growthpoint Properties Australia announced that it would be undertaking an equity raising (**Equity Raising**) to:

- › support Growthpoint Properties Australia to continue delivering on its strategy of acquiring well-leased, well-located commercial real estate while maintaining gearing near the lower end of its target range;
- › provide capacity to acquire a modern building located in metropolitan Sydney, in respect of which Growthpoint Properties Australia was in advanced stages of due diligence (**Potential Acquisition**); and
- › provide additional funding for Growthpoint Properties Australia's internal development and expansion opportunities.

The Equity Raising consisted of:

- › a fully underwritten institutional placement, which raised approximately \$150 million (**Placement**); and
- › a non-underwritten security purchase plan, which raised approximately \$23.6 million.

Growthpoint Properties Australia is not intending to proceed with the Potential Acquisition and intends to still use the proceeds of the Equity Raising for the other purposes described above, noting its recent logistics property acquisition for \$40 million as announced to the ASX on 4 September 2019.

ASX Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of Securityholders is required for an issue of securities, if the securities will, when aggregated with the securities issued by the entity during the last 12 months, exceed 15% of the number of securities on issue over the last 12 months.

The issue of Stapled Securities pursuant to the Placement was made within Growthpoint Properties Australia's 15% placement capacity under ASX Listing Rule 7.1. However, ASX Listing Rule 7.4 allows Growthpoint Properties Australia to ratify a previous issue of securities so that such issue will not be counted towards its 15% placement capacity.

The Board is seeking Securityholder ratification of the issue of the Stapled Securities pursuant to the Placement so that the issue is not considered in calculating Growthpoint Properties Australia's capacity to issue further securities under ASX Listing Rule 7.1. The resolution will assist Growthpoint Properties Australia to manage its capital requirements efficiently by ensuring that the 15% limit is not diminished by the previous issue of Stapled Securities pursuant to the Placement and capacity is available for potential future acquisitions, developments and capital management, if necessary.

For the purpose of ASX Listing Rule 7.5, the relevant terms and conditions of the Placement are:

|   |  |
|---|--|
| <b>Number of securities issued</b>            | 37,783,376 Stapled Securities  |
| <b>Issue price</b>                            | \$3.97 per new Stapled Security  |
| <b>Terms</b>                                  | As from allotment on 3 July 2019, the new Stapled Securities ranked equally with existing Stapled Securities. The new Stapled Securities were not entitled to the distribution for the half year ending 30 June 2019 as they were issued after the record date for that distribution.  |
| <b>Persons to whom securities were issued</b> | Certain institutional, professional and other wholesale investors identified by J.P Morgan Securities Australia Limited, the sole underwriter and lead manager for the Placement. None of the allottees of the Stapled Securities issued pursuant to the Placement were related parties of Growthpoint Properties Australia. |
| <b>Intended use of the funds</b>              | As above.  |

**The Board unanimously recommends that Securityholders vote in favour of this resolution**

# Information for Securityholders

## Voting entitlement

The Board has determined that for the purposes of voting at the Meeting, Stapled Securities will be taken to be held by persons who are registered as Securityholders as at 7:00pm (AEDT) on Tuesday, 19 November 2019. Accordingly, security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

For a resolution of the Company, on a poll, Securityholders have one vote for every fully paid Stapled Security held. For a resolution of the Trust, on a poll, Securityholders have one vote for every dollar of the total interest they have (calculated by reference to the last sale price of Stapled Securities on the ASX on Tuesday, 19 November 2019). For resolutions of the Company or the Trust, on a show of hands, every person present and entitled to vote has one vote.

## Corporations

If a Securityholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- > appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act, and
- > provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received prior to the commencement of the Meeting, then the body corporate proxy (through its representative) will not be permitted to act as the Securityholder's proxy. A form of the certificate may be obtained from Computershare (whose contact details are listed on the proxy form).

## Proxies

A Securityholder who is entitled to attend and cast a vote at the Meeting may appoint a person as the Securityholder's proxy to attend and vote for the Securityholder at the Meeting. Proxies need not be Securityholders.

The proxy form enables Securityholders to vote For, Against, or Abstain from voting on a resolution.

The appointment may specify the proportion or number of votes that the proxy may exercise.

Any directed proxies that are not voted on a poll at the Meeting by a Securityholder's appointed proxy will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed on a poll.

Voting exclusions apply to Items 2, 4, 5 and 6 under the Corporations Act and ASX Listing Rules. If you intend to appoint a member of the KMP (other than the Chairman) as your proxy, please ensure that you direct them how to vote on Items 2, 4, 5 and 6 by following the instructions on the proxy form. Similarly, if you intend to appoint an associate of Timothy Collyer (Managing Director) as your proxy, please ensure that you direct them how to vote on Items 4, 5 and 6.

If you intend to appoint the Chairman of the Meeting as your proxy, you can direct the Chairman how to vote by marking the boxes for Items 2, 4, 5 and 6 (for example if you wish to vote against or abstain from voting). If you do not direct the Chairman how to vote, by submitting the proxy form, you expressly authorise the Chairman to exercise the proxy in respect of Items 2, 4, 5 and 6.

### **The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.**

If a Securityholder is entitled to cast two or more votes at the Meeting, the Securityholder may appoint two proxies and may specify the proportion or number of votes each proxy may exercise. Where a Securityholder appoints two proxies, only one proxy may vote on a show of hands where the appointments specify the same way to vote on a resolution. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands.

Where two proxies are appointed a separate form should be used for each. Securityholders are requested to show on the form a specified number or proportion of the Securityholder's voting rights which the proxy may exercise. If no such proportion is specified, each proxy may exercise half of the Securityholder's votes.

## Lodgement of proxy forms and authorities

To be valid, the proxy form (and any power of attorney or other original authority under which it is signed or a certified copy of it) must be received no later than 2.00pm (AEDT) on Tuesday, 19 November 2019. Proxy forms must be lodged by:

- > post in the reply paid envelope provided or to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001;
- > facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- > online at [www.investorvote.com.au](http://www.investorvote.com.au).

Intermediary custodians only may submit their proxy forms online at [www.intermediaryonline.com](http://www.intermediaryonline.com).

## Questions at the Meeting

If you have any questions you would like answered at the Meeting, please email [info@growthpoint.com.au](mailto:info@growthpoint.com.au) prior to 5:00pm (AEDT) on Thursday 14 November 2019. We will endeavour to address as many of the more frequently raised questions as possible.

**2019 Annual General Meeting**

Growthpoint Properties Australia  
Level 31, 35 Collins Street, Melbourne VIC Australia  
Investor Services Line: 1800 260 453  
[www.growthpoint.com.au](http://www.growthpoint.com.au)





**Growthpoint Properties Australia**

Growthpoint Properties Australia Limited ACN 124 093 901 AFSL No. 316409  
Growthpoint Properties Australia Trust ARSN 120 121 002

GOZ  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Need assistance?**



**Phone:**  
1300 665 792 (within Australia)  
+61 3 9415 4366 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **2.00pm (AEDT)** Tuesday 19 November 2019.

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of Growthpoint Properties Australia.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your proxy form online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Growthpoint Properties Australia hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Growthpoint Properties Australia to be held at the offices of Herbert Smith Freehills, located at level 42, 101 Collins Street, Melbourne, Victoria on Thursday, 21 November 2019 at 2.00pm (AEDT) (**the Meeting**) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), by submitting this proxy form I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Items 2, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 4, 5 and 6 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

The Board recommends that you vote in favour of each item.

|  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| Item 2 Remuneration Report - Company Only  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3a Re-election of Director - Mr Estienne de Klerk - Company Only  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3b Re-election of Director - Mr Francois Marais - Company Only  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 Approval of FY19 Transitional LTI Grant of Performance Rights to Managing Director - Company and Trust    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 Approval of FY20 Forward-Looking LTI Grant of Performance Rights to Managing Director - Company and Trust | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 6 Approval of FY19 STI Grant of Performance Rights to Managing Director - Company and Trust                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 7 Appointment of Ernst & Young as Auditor of the Company - Company Only                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 8 Ratification of Issue of Stapled Securites - Company and Trust  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

