

21 October 2011

Dear Securityholder,

Growthpoint Properties Australia Annual General Meeting

I cordially invite you to join us for the Annual General Meeting (**AGM**) of Growthpoint Properties Australia.

Growthpoint Properties Australia is a stapled group comprising a company, Growthpoint Properties Australia Limited (**Company**), and a trust, Growthpoint Properties Australia Trust (**Trust**) (together, **Growthpoint Properties Australia**). The Company is the responsible entity of the Trust. Securityholders hold stapled securities comprising units in the Trust and shares in the Company and are therefore able to vote at general meetings of both the Trust and the Company.

Enclosed with this letter is a notice of the AGM of the shareholders of the Company and a meeting of the unitholders of the Trust. The meetings will be held at the Swissotel, Level 8, 68 Market Street, Sydney, NSW, 2000 on Thursday 24 November 2011 at 11.30am. Securityholders should carefully review these Explanatory Notes and the associated documents.

If you will be attending the AGM, please bring this letter with you to facilitate processing of your registration. Registration will commence at 11.15am on Thursday, 24 November 2011. If you attend the AGM, there is no need to complete the enclosed Proxy Form.

If you are unable to attend the meeting, I encourage you to complete the enclosed Proxy Form and to consider how you wish your proxy to vote.

To be effective, your completed Proxy Form must be received at the Company's Share Registry no later than 11.30am (Melbourne time) on Tuesday, 22 November 2011. For further details, see the notes set out on the back of the Notice of Meeting and on the back of the Proxy Form.

Yours sincerely

Lyn Shaddock

Independent Chairman

Growthpoint Properties Australia Limited
(ACN 124 093 901)
AND
Growthpoint Properties Australia Trust
(ARSN 120 121 002)

NOTICE OF MEETINGS

Notice is given that the Annual General Meeting (**AGM**) of share holders of Growthpoint Properties Australia Limited (**Company**) will be held concurrently and in conjunction with a meeting of the unit holders of Growthpoint Properties Australia Trust (**Trust**) (together, **Growthpoint Properties Australia**) at the Swissotel, Level 8, 68 Market Street, Sydney NSW, 2011 on Thursday 24 November 2011 at 11.30am.

ORDINARY BUSINESS

ITEM 1: FINANCIAL STATEMENTS AND REPORTS – COMPANY AND TRUST

To receive and consider:

- (a) the financial reports and the reports of the Directors and the auditors in respect of the Company for the financial year ended 30 June 2011; and
- (b) the financial reports and the reports of the Directors and the auditors in respect of the Trust for the financial year ended 30 June 2011.

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

ITEM 2: REMUNERATION REPORT – COMPANY ONLY

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

“That the Remuneration Report of the Company (which forms part of the Directors’ Report) for the financial year ended 30 June 2011 be adopted.”

The Remuneration Report is set out on pages 15 to 20 of the 2011 Annual Report.

*Notes: The vote on this resolution is advisory only and does not bind the Directors or the Company. The Chairman of the Meeting intends to vote all available proxies **in favour** of this item of business.*

Voting Exclusion Statement

The *Corporations Act 2001* (Cth) (**Corporations Act**) restricts members of the key management personnel (**KMP**) of the Company and their closely related parties from voting in relation to agenda Item 2 in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

The Company will disregard any votes cast (in any capacity) on the proposed resolution in Item 2 by or on behalf of:

- a member of the KMP (being the Directors and the KMP as disclosed in the Remuneration Report which forms part of the Company’s Annual Report for the year ended 30 June 2011); and

- a closely related party of those persons (such as close family members and any companies the person controls),

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

What this means for securityholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on Item 2. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by either marking the boxes for Item 2 (for example if you wish to vote against or abstain from voting), or by marking the Chairman's box on the proxy form (in which case the Chairman of the Meeting will vote in favour of this Item of business).

ITEM 3: RE-ELECTION OF DIRECTORS – COMPANY ONLY

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

- “That Mr Lyn Shaddock who was appointed a Director on 5 August 2009, retires under rule 11.1(d) of the Company’s constitution and, being eligible, offers himself for election, be elected as a Director of the Company”; and*
- “That Mr Francois Marais who was appointed a Director on 5 August 2009, retires under rule 11.1(d) of the Company’s constitution and, being eligible, offers himself for election, be elected as a Director of the Company.”*

Note: The Chairman of the Meeting intends to vote all available proxies in favour of each separate resolution in this item of business.

SPECIAL BUSINESS

ITEM 4: INCREASE IN AGGREGATE CAP OF NON-EXECUTIVE DIRECTORS’ REMUNERATION – COMPANY ONLY

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

“That, in accordance with rule 11.3(a) of the Company’s constitution, the maximum aggregate amount of remuneration which may be provided by the Company to all Directors for their services as Directors be increased by \$300,000 to a maximum sum of \$600,000 a year, with immediate effect.”

Note: The Chairman of the Meeting intends to vote all available proxies in favour of this item of business.

Voting exclusion statement

The Company will disregard any votes cast on the propose resolution in Item 4 by a Director, or any of their associates, as well as any votes cast as a proxy on these Items by members of the KMP or their closely related parties.

However, the Company need not disregard a vote if it is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chair of the meetings as proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

What this means for securityholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on Item 4. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by either marking the boxes for Item 4 (for example if you wish to vote against or abstain from voting), or by marking the Chairman's box on the proxy form (in which case the Chairman of the Meeting will vote in favour of this item of business).

ITEM 5: APPROVAL OF EMPLOYEE INCENTIVE PLAN – COMPANY ONLY

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

*“That for all purposes including exception 9 to ASX Listing Rule 7.2 the Growthpoint Properties Australia Employee Incentive Plan (**Plan**), a summary of which is set out in the Explanatory Notes accompanying this Notice of meeting, is approved”*

*Note: The Chairman of the Meeting intends to vote all available proxies **in favour** of this item of business.*

Voting exclusion statement (for Items 5 and 6)

The Corporations Act restricts members of the KMP of the Company and their closely related parties from voting in relation to agenda Items 5 and 6 in certain circumstances. In addition, a voting restriction applies in respect of this item under the ASX Listing Rules.

The Company will disregard any votes cast on the proposed resolution in Items 5 and 6 by Timothy Collyer (Managing Director) or any of his associates, as well as any votes cast as a proxy on these Items by members of the KMP or their closely related parties.

However, the Company need not disregard a vote if it is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chair of the meetings as proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

What this means for securityholders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on Items 5 and 6. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by either marking the boxes for Items 5 and 6 (for example if you wish to vote against or abstain from voting), or by marking the Chairman’s box on the proxy form (in which case the Chairman of the Meeting will vote in favour of this item of business).

ITEM 6: APPROVAL OF ISSUE TO TIMOTHY COLLYER (MANAGING DIRECTOR) – COMPANY ONLY

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

“That for all purposes the issue of Performance Rights to Timothy Collyer under the Employee Incentive Plan, in accordance with the rules of this Plan and on the terms summarised in the Explanatory Notes, is approved.”

*Note: The Chairman of the Meeting intends to vote all available proxies **in favour** of this item of business.*

Voting exclusion statement

A voting exclusion applies to Item 6. It is the same exclusion as detailed in Item 5 above.

Refer to the Explanatory Notes for information regarding each item of business.

By order of the Board of the Company being the responsible entity of the Trust.

Aaron Hockly
Company Secretary
21 October 2011

Growthpoint Properties Australia Limited
ACN 124 093 901 (**Company**)
AND
Growthpoint Properties Australia Trust
ARSN 120 121 002 (**Trust**)

EXPLANATORY NOTES

These Explanatory Notes provide securityholders of Growthpoint Properties Australia, comprising the Company and Trust, with information in respect of the resolutions to be considered at the Annual General Meeting (**AGM**) of the Company to be held at the Swissotel, Level 8, 68 Market Street, Sydney NSW, 2000 on Thursday 24 November 2011 at 11.30 am. Securityholders should carefully review these Explanatory Notes and the associated Notice of Meetings (**Notice**) to which these Explanatory Notes are attached.

If you have difficulty in properly understanding this documentation, you should consult your financial or legal adviser.

ORDINARY BUSINESS

ITEM 1: FINANCIAL REPORTS

As required by sections 314 and 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Growthpoint Properties Australia' Annual Report (comprising the financial report, Directors' Report and auditor's report for the Company and the Trust) for the year ended 30 June 2011 was sent to security holders in advance of this notice and will be laid before the meeting.

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

ITEM 2: REMUNERATION REPORT – COMPANY ONLY

There will be an opportunity for securityholders at the AGM to comment on and ask questions about the Remuneration Report which is contained in Growthpoint Properties Australia's Annual Report 2011.

The vote on the proposed resolution in agenda 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 Remuneration Report is set out on pages 15 to 20 of Growthpoint Properties Australia's Annual Report 2011. The Remuneration Report:

- explains the Board's policy in relation to the nature and level of remuneration paid to Directors and key management personnel within the Company;
- discusses the link between the Board's remuneration policy and the Company's performance;
- provides a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- sets out remuneration details for each Director and for each member of the Company's senior executive management team.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

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

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

ITEM 3: RE-ELECTION OF DIRECTORS – COMPANY ONLY

(a) Lyn Shaddock retires by rotation in accordance with Rule 11.1(d) of the Company's constitution and, being eligible, offers himself for re-election.

Lyn Shaddock

Independent Chairman, Chairman of Compliance Committee, Member of the Nomination, Remuneration and HR Committee – appointed as a Director on 5 August 2009.

Lyn has over 50 years' experience in the property industry and has been involved with developments in Sydney, Melbourne, Brisbane, San Francisco and Kuala Lumpur, including many from inception to completion. His experience spans a range of business conditions and economic cycles.

Among other memberships, Lyn was a member of Sydney's Central Planning Committee (responsible for planning Sydney and administering major development approvals) from 1989 to 1993, the New South Wales Heritage Council from 1987 to 1991 and the New South Wales Executive of the Property Council from 1971 to 1991. In addition to being awarded honorary life membership of the Property Council of Australia (both nationally and in New South Wales), Lyn served as the President of New South Wales Division from 1980 to 1983 and Honorary Director and Chairman of the National Finance Committee from 1988 to 1996.

Lyn has served on numerous boards and committees and, in addition to his roles with the Group, he is Independent Chairman of Calibre Capital and is an adviser to Dexus Limited in relation to its development at 1 Bligh Street, Sydney. Lyn has been the Chairman of the responsible entity of the Trust (including the Company and the Company's predecessor) since the listing of the Trust in July 2007.

(b) Francois Marais retires by rotation in accordance with Rule 11.1(d) of the Company's constitution and, being eligible, offers himself for re-election.

Francois Marais

Independent Director (Growthpoint nominee), Member of the Compliance Committee, Member of the Nomination, Remuneration and HR Committee – appointed as a Director on 5 August 2009

BCom, LLB, H Dip (Company Law)

Francois 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. Francois is Chairman of Growthpoint Properties Limited in South Africa, as well as chairman of a venture capital company.

Each of the proposed resolutions are ordinary resolutions.

The Board of Directors of the Company (in each case in the absence of the relevant Director) unanimously recommends that securityholders vote in favour of each of the proposed resolutions.

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

SPECIAL BUSINESS

ITEM 4: INCREASE IN AGGREGATE CAP OF NON-EXECUTIVE DIRECTORS' REMUNERATION – COMPANY ONLY

The current maximum aggregate amount which may be paid as fees to all non-executive Directors of the Company for their services as Directors is \$300,000 per annum. This amount does not include other payments that may be payable to the non-executive Directors as specified in the constitution.

The remuneration provided to each non-executive Director for the year ended 30 June 2011 is detailed in the Directors' Remuneration Report which is set out on pages 15 to 20 of the Growthpoint Properties Australia's Annual Report. The total value of remuneration paid to all non-executive Directors during the last financial year was \$288,748.

The Company undertakes regular reviews of the fees paid to non-executive Directors to ensure that the fees paid by the Company are competitive and enable the Company to attract and retain high calibre Directors. This review includes consideration of fees paid to non-executive Directors of comparable Australian listed companies. The performance of particular Directors' performance, duties and responsibilities, the market comparison and independent advice are all considered as part of the review process.

The proposed increase in the non-executive Directors' fee cap of \$300,000 would take the maximum aggregate amount to \$600,000 per annum – an amount which is considered necessary in order to:

- continue to attract Directors with the appropriate experience and skills;
- allow for annual adjustments in line with market conditions; and
- provide the Board with the flexibility to increase the number of future Board members (if appropriate).

It is critical that the Company has the capacity to pay adequate fees to non-executive Directors in order to attract and retain Directors of the highest calibre. The proposed increase will provide the Company with the flexibility to ensure that a top calibre Board of appropriate size serves the Company and its securityholders.

Increasing the maximum amount of non-executive Directors' remuneration payable does not mean that the whole of the new maximum aggregate will be used immediately.

Securityholders should note that the proposed increase in non-executive Directors' remuneration does not relate to salaries paid to the Managing Director in his capacity as an executive of the Company. The Managing Director does not receive remuneration in the form of Directors' fees in addition to his salary.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

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

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

ITEM 5: APPROVAL OF EMPLOYEE INCENTIVE PLAN – COMPANY ONLY

Resolution 5 seeks approval for the establishment of a new equity incentive scheme for the Company's employees and Directors, the Employee Incentive Plan (the **Plan**).

ASX Listing Rule 7.1 prevents a listed company from issuing more than 15% of its issued capital in any rolling 12 month period without the prior approval of securityholders. However, Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within 3 years

before the date of the issue, securityholders have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

Resolution 5 seeks to exempt the issue of securities under the Plan from the operation of Listing Rule 7.1 for a period of 3 years from the date that the resolution is approved. If the Resolution is approved by securityholders, securities issued under the Plan during the next 3 years will not be counted in determining the 15% limit under Listing Rule 7.1. This would assist the Company by providing additional fundraising flexibility.

It is intended that:

1. in advance of each financial year, the Board will establish an LTI pool in respect of the upcoming financial year and determine the Managing Director's maximum incentive from this pool which, under the terms of his employment contract, will not be more than 80% of his base salary ("**LTI Maximum**");
2. in advance of each financial year, the Managing Director will make recommendations for the maximum share of the LTI pool for each other employee as a percentage of his or her base salary (each an "**LTI Maximum**") which such recommendations to be considered, approved and/or amended by the Nomination, Remuneration & HR Committee;
3. in advance of each financial year, the Nomination, Remuneration & HR Committee will set performance hurdles to be achieved for employees (as a group) to receive any or all of the LTI Maximum for the upcoming financial year;
4. post the end of the relevant financial year, the Nomination, Remuneration & HR Committee will assess the achievement of the performance hurdles to determine a percentage achieved ("**LTI Achievement**") (this can only be determined post the audit of the Growthpoint Properties Australia's financial accounts and those of its peers within the Australian Real Estate Investment Trusts (**A-REIT**) sector against which the Company is benchmarked);
5. the LTI Maximum multiplied by the LTI Achievement provides the LTI for each employee for the relevant financial year;
6. subject to the employee remaining employed by Growthpoint Properties Australia, on or about 30 September of each year the employee will receive 25% of his or her LTI referred to in 5 above through the issue of Stapled Securities in Growthpoint Properties Australia for an equivalent amount at an issue price per security based on the volume weighted average price of the securities over the 20 trading days preceding their issue; and
7. the LTI is cumulative and, subject to some exceptions, immediately vests in the case of a takeover of Growthpoint Properties Australia or a redundancy.

The key terms of the Plan are set out below.

Summary of the Employee Incentive Plan

The Group has introduced an Employee Incentive Plan for all employees. The Plan is designed to link employees' remuneration with the strategic long term goals and performance of Growthpoint Properties Australia and with the maximisation of wealth for its securityholders.

The Board's discretion under the Plan

The Board may from time to time, in its absolute discretion invite an employee of the Group (including a director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of Performance Rights and/or Options under the Plan (**Eligible Employees**) to participate in a grant of Performance Rights and/or Options upon the terms set out in the Plan and upon such additional terms, including Performance Conditions (if any) as the Board determines.

On:

- (a) vesting of a Performance Right (other than an Exercisable Performance Right);
- (b) exercise of an Exercisable Performance Right; or
- (c) exercise of an Option,

the Company must issue to, procure the transfer to (via the purchase of Stapled Securities on-market or via an off-market transfer) or procure the setting aside for the Participant (or his or her personal representative) the number of Stapled Securities in respect of which Performance Rights have vested, Exercisable Performance Rights have been exercised, or Options have been exercised (as the case may be). The Board may, in its discretion, delay the time at which the Stapled Securities are issued, transferred or set aside to a time that it is more appropriate, having regard to the Company's Securities Trading Policy.

Prior to the allocation of Stapled Securities to a Participant upon vesting of Performance Rights or exercise of Exercisable Performance Rights or Options the Board may make any adjustments it considers appropriate to the terms of a Performance Right or Option granted to that Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action such as a capital raising or capital reduction.

Any Stapled Securities issued under the Plan upon vesting of a Performance Right, the exercise of an Exercisable Performance Right or exercise of an Option, will rank equally with other Growthpoint Properties Australia securities.

Dealing with Performance Rights and/or Options

A Performance Right or Option granted under the Plan is only transferable with the prior consent of the Board or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

Any dealing in respect of an unvested Performance Rights and/or Option is prohibited, unless the Board determines otherwise. The Board may, at its discretion, impose a restriction on Dealing with Stapled Securities allocated under the Plan.

Exercise pre-conditions

A Performance Right and/or Option granted under the Plan will only vest (and become exercisable, if applicable) where the Performance Conditions and any other relevant conditions advised to the Participant by the Board have been satisfied.

Lapse of Performance Rights and/or Options

An unvested Performance Right or Option will lapse upon the earliest to occur of:

- 7 years or any other date (whether more or less than 7 years) specified by the Board;
- the Performance Right or Option lapsing as a result of prohibited dealing or of a prohibited transfer;
- the Performance Right or Option lapsing as a result of cessation of employment; or
- failure to meet the Performance Condition applicable to the Performance Right or Option within the prescribed period.

Cessation of employment

If a Participant ceases employment with Growthpoint Properties Australia, unless the Board determines that some or all of the Participant's Performance Rights will not lapse and will continue on foot, then all of their Performance Rights (whether vested or unvested) will lapse and will not vest.

Prior to or within 60 days of the date on which the Participant ceases to be an employee of Growthpoint Properties Australia, the Board may determine that some or all of the Participant's Performance Rights will not lapse and will continue on foot.

Termination benefits

The Company is not required to provide, or procure the provision of, any benefit under the Plan Rules which is not permitted by the termination benefits provisions under the Corporations Act (Part 2D.2, Division 2) in the absence of securityholder approval. Any benefits required to be provided to a Participant in accordance the Plan Rules must be reduced to ensure compliance with the termination benefits provisions.

In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with the termination benefits provisions.

However, the Company may seek securityholder approval in its sole discretion.

Takeover, Scheme of Arrangement and Winding-up

In the event of the Board recommending that securityholders accept any Takeover Bid for the Stapled Securities or a Takeover Bid for Stapled Securities in the Company becoming unconditional (each a **Takeover Event**) or a compromise, arrangement and certain other transactions (as listed in the Plan rules) the Board must consider whether, and may in its absolute discretion, determine that all or a specified number of a Participant's unvested Performance Rights and/or Options vest. In making its determination, the Board may have regard to whether performance is in line with the Performance Condition over the period from the Grant Date to the date of the relevant event.

Unless the Board determines otherwise, where a Takeover Event a compromise, arrangement and other transactions occurs, any vested Options and Exercisable Performance Rights will become exercisable for a period specified by the Board notified to the Participant and will lapse if not exercised within the specified period.

Current Performance Rights issued

All employees other than the Managing Director (Timothy Collyer) received an initial grant of performance rights in October 2011. In accordance with ASX Listing Rule 10.14, the issue of any performance rights to the Managing Director is subject to securityholder approval at the 2011 AGM and, if approved, will be issued shortly after this meeting.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

The Board (other than Mr Collyer) unanimously recommends that securityholders vote in favour of this resolution

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

ITEM 6: APPROVAL OF ISSUE TO TIMOTHY COLLYER (MANAGING DIRECTOR) – COMPANY ONLY

Securityholder approval is being sought for all purposes for the issue of Performance Rights to the Managing Director, Timothy Collyer, under Growthpoint Properties Australia's Employee Incentive Plan for the 2011 financial year.

Employee Incentive Plan terms and conditions

Growthpoint Properties Australia has only one Employee Incentive Plan. Accordingly, the issue of Performance Rights issued to Mr Collyer is governed by the Plan as summarised above in Item 5. Information regarding the general operation of Plan is also set out in the Remuneration Report.

If securityholder approval is obtained, Performance Rights will be granted to Mr Collyer as part of his remuneration package for the 2011 financial year. Stapled Securities allocated to Mr Collyer on vesting of the Performance Rights will rank equally with other Growthpoint Properties Australia securities.

As Mr Collyer's grant forms part of his LTI remuneration, the Performance Rights will be granted at no cost to Mr Collyer and no amount payable on vesting of the Performance Rights. The Performance Rights will be granted under, and subject to, the rules of the Plan. Performance Rights do not carry any distribution or voting rights prior to vesting.

If securityholder approval is obtained, it is anticipated that the Performance Rights will be granted to Mr Collyer shortly after the meeting.

The total number of the resulting Stapled Securities which may potentially be allocated to Mr Collyer at the end of each performance period will depend on factors such as:

- the satisfaction of the Performance Conditions and the resulting number of Performance Rights that vest or lapse; and
- the price of the Stapled Securities on the ASX at the time that the Performance Rights vest.

Performance Conditions

The current measures for the LTI, which are reviewed regularly by the Nomination, Remuneration & HR Committee and/or the Board are:

1. Total Securityholder Returns (TSR) – Weighting 35%

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

The TSR is benchmarked relative to the S&P/ASX A-REIT 300 Accumulation Index over a rolling 3 year period, or a shorter period being the date Growthpoint Properties Australia became a stapled entity to the end of the tranche vesting period (as applicable).

The vesting criteria for the TSR benchmark is based upon the below:

- At or below the 50th percentile - 0%
- At the 51st percentile - 50%
- Above the 51st percentile but below the 76th percentile - 50%, plus 2% for each percentile above the 51st percentile
- At or above the 76th percentile 100%

2. Return On Equity (ROE) – Weighting 35%

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 asset (**NTA**) per security and includes the change in NTA per security over the vesting period plus the distribution made as a return on the starting NTA per security.

The ROE would be benchmarked relative to the ROE's of A-REIT's in the S&P/ASX A-REIT 300 Index over a rolling 3 year period, or a shorter period being the date Growthpoint Properties Australia became a stapled entity to the end of the tranche vesting period (as applicable).

The vesting criteria for the ROE benchmark is based upon the below:

- Below the benchmark return - 0%
- Achievement of benchmark - 50%
- At 1 % or > and < 2% above the benchmark - 75% (pro-rata)
- At 2% or > above the benchmark - 100%

3. Distributable Income – Weighting 30%

Achievement of the annual distributable income per security (DPS) that is budgeted for by Growthpoint Properties Australia and signed off by the Board at the commencement of the financial year.

The vesting criteria for the Distributable Income benchmark is based upon the below:

- Below the benchmark return - 0%
- Achievement of benchmark - 50%
- Above benchmark and < 2% above the benchmark - 75% (pro-rata)
- At 2% or > above the benchmark - 100%

Based upon external independent advice, the Nomination, Remuneration & HR Committee has determined that for 2011 84.30% of the benchmarks have been achieved, meaning 84.30% of the LTI pool will be granted to Mr Collyer.

Why are we seeking securityholder approval?

Under ASX Listing Rule 10.14, securityholder approval is required for a Director to be issued securities under an employee incentive scheme. Accordingly, before any Performance Rights may be issued to Mr Collyer under the Plan, the issue must first be approved by securityholders in accordance with ASX Listing Rule 10.14. As any Growthpoint Stapled Securities to be delivered to Mr Collyer upon vesting of the Performance Rights may be newly issued securities, Growthpoint Properties Australia is seeking approval for the issue of Performance Rights to Mr Collyer.

Employee Incentive Plan – proposed issue in respect of 2011 financial year

The value of Performance Rights to be issued to Mr Collyer in respect of the 2011 financial year is \$303,480.

The Performance Rights will vest in four tranches. 25% will vest on each of 30 November 2011, 30 September 2012, 30 September 2013, and 30 September 2014.

The number of Performance Rights that Mr Collyer will receive in respect of the 2011 financial year for each of the four tranches will be determined by dividing the total value of Performance Rights Mr Collyer is entitled to receive by four and dividing this figure by the VWAP of Stapled Securities. The VWAP is calculated for the 20 trading days preceding 30 September of each year.

For example, the first tranche of Mr Collyer's 2011 Performance Rights (vesting on or about 30 November 2011) will have a value of 25% of \$303,480 (being \$75,870). The VWAP of Stapled Securities for the 20 trading days preceding 30 September 2011 was \$1.8907. Therefore, the number of Performance Rights that Mr Collyer will receive, if shareholder approval is obtained, on or around 30 November 2011 will be 40,128. This is determined by dividing the value of the Performance Rights for the relevant tranche (\$75,870) by the VWAP of Stapled Securities (\$1.8907) and rounding to the nearest whole number. Each of these Performance Rights will convert into one Stapled Security.

The same method of calculating the number of Performance Rights will apply in respect of the remaining three tranches (which vest on 30 September 2011, 30 September 2012 and 30 September 2014).

Cessation of employment

If Mr Collyer ceases employment with Growthpoint Properties Australia due to death, disability, bona fide redundancy or other reason with the approval of the Board, all Performance Rights held by Mr Collyer (whether or not the applicable Performance Conditions and service requirement have been satisfied) as at the date of cessation of employment will vest and Mr Collyer will be issued with Stapled Securiteis in respect of all of his Performance Rights.

If Mr Collyer ceases employment for any other reason, the vesting of outstanding Performance Rights and the ultimate issue of Stapled Securities will be at the discretion of the Board.

Other information

In relation to the Employee Incentive Plan:

- Mr Collyer is the only Director entitled to participate in the Plan. If securityholders vote in favour of Item 6, no additional Director who becomes entitled to participate in the Plan will participate until approval is obtained under Listing Rule 10.14.
- This is the first time approval has been sought for the Mr Collyer under the Plan.
- As there has been no prior approval, no Performance Rights have been issued to Mr Collyer previously.
- There are no loans to be granted to Mr Collyer in connection with the Plan.
- Details of any securities issued under the Plan will be published in each Annual Report of the entity relating to a period in which securities have been issued. The Annual Report will also will note that approval for the issue of securities was obtained under listing rule 10.14.
- Growthpoint Properties Australia will issue or acquire the Performance Rights described in this Explanatory Memorandum no later than 3 years after the AGM.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

The Board (other than Mr Collyer) unanimously recommends that securityholders vote in favour of this resolution.

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

Information for Securityholders

Voting entitlement

The Board has determined that for the purposes of voting at the Annual General Meeting of the Company and concurrent meeting of unit holders in the Trust (**Meeting**), securities will be taken to be held by persons who are registered as securityholders as at 7:00pm (Melbourne time) on Tuesday 22 November 2011. Accordingly, security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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 2001; 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 below).

Proxies

A member who is entitled to attend and cast a vote at the Meeting may appoint a person as the member's proxy to attend and vote for the member at the Meeting.

The proxy form enables members 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. Proxies need not be securityholders. Where a member has given a proxy in favour of the Chairman but does not direct the Chairman how to vote on a particular resolution, the Chairman will exercise the proxy vote in favour of the resolution, except in the case of the Remuneration Report.

If the member is entitled to cast 2 or more votes at the Meeting, the member may appoint 2 proxies and may specify the proportion or number of votes each proxy may exercise.

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

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

On a poll, securityholders have one vote for every fully paid security held. On a show of hands, every person present and qualified to vote has one vote. Where a securityholder appoints two proxies, only one proxy may vote on a show of hands. 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.

To be valid, the enclosed proxy form (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) must be completed and signed and received not later than 11.30am (Melbourne time) on Tuesday 22 November 2011 either by:

- returning by post in the reply paid envelope;
- delivering in person to Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, Victoria; or

- sending by facsimile to Computershare on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- For Intermediary online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

