



# NOTICE OF MEETINGS

## 2017



### **Ingenia Communities Group Annual General Meeting Tuesday 14 November 2017**

Ingenia Communities Group (ASX: INA)  
Ingenia Communities Holdings Limited (ACN 154 444 925)  
Ingenia Communities Management Trust (ARSN 122 928 410)  
Ingenia Communities Fund (ARSN 107 459 576)

**Responsible Entity:**  
Ingenia Communities RE Limited (ACN 154 464 990)

Notice is hereby given that the Annual General Meeting of Shareholders of Ingenia Communities Holdings Limited (**Company**) and a General Meeting of Unitholders of Ingenia Communities Management Trust (**Trust**) and Ingenia Communities Fund (**Fund**) (together **Ingenia Communities Group**) will be held at Sofitel Sydney Wentworth Hotel, 61 - 101 Phillip Street, Sydney on Tuesday 14 November 2017 at 11:30am (AEDT) (**Meeting**).

The Explanatory Notes and the Proxy Form form part of these notices.

# Notice of Meetings 2017

INGENIA COMMUNITIES GROUP

## GENERAL INFORMATION

As investors will know, the Shares in the Company are stapled to the Units of the Fund and the Trust, and are quoted jointly on the ASX as Ingenia Communities Group (ASX: INA). As a result the securities cannot be traded separately. For this reason, the meetings for the three entities will be held together at the same place and on the same day.

The meetings for the Company, the Fund and the Trust will be conducted simultaneously subject to the discretion of the Chairman to adjourn or reconvene any specific meeting. Each resolution will be voted on separately.

For information on how to vote, please see 'Voting Options and Proxies'.

Certain capitalised terms are defined in the Constitutions of the Company, the Fund and the Trust unless the context requires otherwise.

## NOTICE OF GENERAL MEETING

*Ingenia Communities Management Trust (ARSN 122 928 410)*

*Ingenia Communities Fund (ARSN 107 459 576)*

Ingenia Communities RE Limited (ACN 154 464 990) (**Responsible Entity**) gives notice that a meeting of the Unitholders of the Ingenia Communities Management Trust (ARSN 122 928 410) and Ingenia Communities Fund (ARSN 107 459 576) will be held at Sofitel Sydney Wentworth Hotel, 61 – 101 Phillip Street, Sydney on Tuesday 14 November 2017 at 11:30am (AEDT), to transact the following business: a general discussion of the activities of the Trust and Fund.

No formal resolutions are proposed at this meeting.

## NOTICE OF ANNUAL GENERAL MEETING

*Ingenia Communities Holdings Limited (ACN 154 444 925)*

Notice is given that an Annual General Meeting of the Shareholders of Ingenia Communities Holdings Limited will be held at Sofitel Sydney Wentworth Hotel, 61 – 101 Phillip Street, Sydney on Tuesday 14 November 2017 at 11:30am (AEDT), to transact the following business.

## BUSINESS OF THE MEETING

### Item 1: Ingenia Communities Group Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Group for the year ended 30 June 2017.

### Item 2: Remuneration Report

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

*"To adopt the Remuneration Report for the year ended 30 June 2017."*

Notes:

- i. In accordance with section 250R of the *Corporations Act 2001*, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- ii. A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

### Item 3: Re-election of Directors

#### Item 3.1: Re-election of Ms Amanda Heyworth

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

*"That Ms Amanda Heyworth, being a Director who is retiring in accordance with clauses 74.1 and 74.4 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers herself for re-election, be re-elected as a Director of the Company."*

#### Item 3.2: Election of Ms Valerie Lyons

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

*"That Ms Valerie Lyons, being a Director who was appointed by the Directors on 01 March 2017 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers herself for election, be elected as a Director of the Company."*

### Item 4: Ratification of issue of Stapled Securities

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

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Securityholders approve and ratify the allotment and issue of 12,307,616 Stapled Securities as outlined in the Explanatory Notes."*

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

### Item 5: Grant of Short Term Incentive Plan Rights to Mr Simon Owen

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

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Securityholders approve the grant by the Company to Mr Simon Owen of Short Term Incentive Rights calculated as outlined in the Explanatory Notes (and the issue of Stapled Securities upon the vesting of those Rights), under the Ingenia Communities Group Rights Plan and on the terms and conditions set out in the Explanatory Notes."*

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

### Item 6: Grant of Long Term Incentive Plan Rights to Mr Simon Owen

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

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Securityholders approve the grant by the Company to Mr Simon Owen of Long Term Incentive Rights calculated as outlined in the Explanatory Notes (and the issue of Stapled Securities upon the vesting of those Rights), under the Ingenia Communities Group Rights Plan and on the terms and conditions set out in the Explanatory Notes."*

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

## APPOINTMENT OF CHAIR

In accordance with section 252S of the *Corporations Act* and the Fund and Trust Constitutions, Ingenia Communities RE Limited has appointed Mr James Hazel to act as Chairman of the Meeting.

## ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered securityholders of the Group as at 7:00pm (AEDT) on Sunday, 12 November 2017 (**Entitlement Time**), subject to any applicable voting exclusion.

This means that if you are not the registered holder of a security in the Group at the Entitlement Time, you will not be entitled to vote at the Meeting.

## ANNUAL REPORTS

Copies of the Annual Report for Ingenia Communities Group may be accessed at our website [www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au) via the Investor Centre tab.

## VOTING OPTIONS AND PROXIES

If you do not plan to attend the meeting in person, you are encouraged to complete and return the Proxy Form which accompanies this Notice of Meeting.

### Voting by Proxy

A Securityholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in place of the Securityholder.

If the Securityholder appoints two proxies, the Securityholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Securityholder's votes. If the specified proportion or number of votes exceed that which the Securityholder is entitled to, each proxy may exercise half of the Securityholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Securityholder of the Group. A body corporate appointed as a Securityholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2, 5 and 6 (see Explanatory Notes below):

- If a Securityholder has not directed their proxy how to vote, the proxy may vote as the proxy determines, and
- If a Securityholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with his voting intention as stated in this Notice of Meeting.

## Proxy Voting by the Chairman

For Item 2 (Remuneration Report), and Items 5 and 6 (Grant of Rights to the CEO), where the Chairman is appointed as a Securityholder's proxy and that Securityholder has not specified the way in which the Chairman is to vote on Items 2, 5 and 6, the Securityholder is directing the Chairman to vote in accordance with the Chairman's voting intentions for these items of business; even though Items 2, 5 and 6 are connected with the remuneration of Key Management Personnel (**Key Management Personnel** or **KMP**).

The Chairman intends to vote all undirected proxies in favour of the resolutions in the Notice of Meeting, including Items 2, 5 and 6.

## Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Group security registry, as an original or by facsimile, no later than 11:30am (AEDT) on Sunday 12 November 2017 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- i. **By mail** to Link Market Services Pty Ltd using the reply paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches the Company's Share Registry by the Proxy Deadline;
- ii. **By fax** to Link Market Services Pty Ltd on +61 2 9287 0309;
- iii. **Online** via the Company's Share Registry website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Please refer to the Proxy Form for more information; or
- iv. **By hand** delivery to Link Market Services Pty Ltd at Level 12, 680 George Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

## CORPORATE REPRESENTATIVES

Where a securityholding is registered in the name of a corporation, the corporate Securityholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- i. a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- ii. a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

## BY ORDER OF THE BOARD



Leanne Ralph  
Company Secretary  
25 September 2017



# Notice of Meetings 2017

INGENIA COMMUNITIES GROUP

## EXPLANATORY NOTES

### Notes on Business

#### ITEM 1 – Financial Statements and Reports

As required by section 317 of the *Corporations Act* the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the Meeting.

The Financial Report comprises the consolidated financial report of the Company and its controlled entities, including the Ingenia Communities Fund and the Ingenia Communities Management Trust.

There is no requirement for a formal resolution on this Item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for Securityholders to ask questions about or make comments on the management of the Group. Securityholders will also be given a reasonable opportunity at the Meeting to ask the Group's auditor, Ernst & Young (**EY**) questions about the Auditor's Report, the conduct of its audit of the Group's Financial Report for the year ended 30 June 2017, the preparation and content of the Auditor's Report, the accounting policies adopted by the Group in its preparation of the financial statements and the independence of EY in relation to the conduct of the audit.

Securityholders may submit written questions to the Company in relation to the above matters. Written questions must be received no later than 5:00pm (AEDT) on Tuesday 7 November 2017. A form to facilitate the submission of questions is attached to this Notice and it includes details on the return of this form to the Share Registry.

#### ITEM 2 – Adoption of remuneration report

In accordance with section 300A of the *Corporations Act* the Company has proposed a Remuneration Report for the consideration of Securityholders.

As provided by section 250R(3) of the *Corporations Act*, the resolution on this item of business is advisory only and does not bind the Board or the Company.

The Company's remuneration framework is designed to attract, engage, motivate and retain the key talent necessary to achieve our goals and create value for our shareholders. The Board is committed to ensure that the Group's remuneration policies and practices are fair, competitive and responsible and that we communicate the remuneration arrangements with clarity. We are also aware that executive KMP remuneration practices are continually evolving and therefore our practices remain under constant review.

The Company has designed a remuneration framework to support both a high performance culture and a team focus on adhering to agreed business objectives and directions. The key objectives of the Company's reward framework are to:

- Align remuneration with the Group's business strategy;
- Offer an attractive mix of remuneration benchmarked against the market;
- Provide strong linkage between individual and Group performance and rewards;
- Offer remuneration based on internal equity with other employees' and individuals' skills, matching the role requirements with their experience and responsibilities; and
- Align the interests of executives and securityholders and share the success of the Group with the employees.

#### Directors' Recommendation

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

#### Voting Exclusion Statement

As required by the *Corporations Act*, the Company will disregard any votes cast on Item 2 by any member of the Company's KMP or a Closely Related Party of any such member unless the person:

- i. votes as a proxy appointed by writing that specifies how the person is to vote on the resolution; or
- ii. is the Chairman of the Meeting and votes as a proxy appointed by writing that authorises the Chairman to vote on the resolution even though that resolution is connected with the remuneration of a member of the Group's KMP.

**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 the proposed resolution in Item 2. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

#### ITEM 3 – Re-election and Election of Directors

In accordance with the Company's Constitution and ASX Listing Rule 14.5 an election of Directors must be held at each annual general meeting.

Under clause 74.1 of the Constitution, the minimum number of directors to retire from office and offer themselves for re-election is one. Further, clause 74.4 of the Constitution and ASX Listing Rule 14.4 state that Directors are not to hold office (without re-election) past the third AGM following the Director's last appointment or three years, whichever is longer.

Pursuant to clause 74.4 of the Constitution and ASX Listing Rule 14.4, Ms Amanda Heyworth is retiring by rotation and offering herself for re-election as a Director of the Group.

In accordance with Clause 73.2 of the Company's Constitution and ASX Listing Rule 14.4 any director appointed to fill a casual vacancy or as an additional director holds office until the next general meeting of Securityholders and is then eligible for re-election.

Ms Lyons was appointed as an additional Director of the Company on 1 March 2017. Ms Lyons therefore retires at the conclusion of this Meeting in accordance with the Constitution and being eligible, has offered herself for election.

Details of credentials for Ms Heyworth and Ms Lyons follow.

### Item 3.1: Ms Amanda Heyworth

Ms Heyworth is a professional company director and currently serves on the boards of a number of private, university and Government bodies. She previously served as Executive Director of a venture capital fund which specialised in technology investments. Early in her career, she worked as a Federal Treasury economist and held management roles in the finance and technology sectors. Ms Heyworth has particular strengths in strategy, managing growth and marketing having worked as a venture capital investor for over a decade and been involved in numerous product launches. She holds an MBA from the Australian Graduate School of Management's MBA program and has taught strategy and marketing for the AGSM in both Australia and Hong Kong.

Ms Heyworth has strong finance and accounting credentials. She has been involved in over 40 capital raisings and M&A transactions and holds a BA (Accounting) with a major in finance from the University of South Australia and has post graduate qualifications in accounting and finance.

Ms Heyworth is Chair of the Audit and Risk Committee and is a member of the Remuneration and Nomination Committee.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board considers Ms Heyworth to be an independent director.

#### *Directors' Recommendation*

The Board unanimously (other than Ms Heyworth) supports the re-election of Ms Heyworth and recommends that Securityholders vote in favour of this resolution.

### Item 3.2: Ms Valerie Lyons

Ms Lyons was appointed to the Board in March 2017. Ms Lyons has over 30 years experience in executive, non-executive and advisory roles across the health, aged care and retirement, and finance and superannuation sectors. Ms Lyons has held CEO and CFO roles in well regarded seniors and disability service organisations including Uniting AgeWell, Villa Maria and Southern Cross Care (Vic) with prior directorships including Leading Age Services Australia (LASA), Catholic Health Australia (CHA) and Aged and Community Services Australia (ACSA). Ms Lyons is currently a non-executive director of Health Employees Superannuation Trust Australia (HESTA) and registered disability and aged care provider Independence Australia Group. She also serves as a non-executive member of the Audit & Risk Board committee for the Australian Digital Health Agency (ADHA), a government agency with responsibility for all national digital health services and systems. Ms Lyons holds a Bachelor of Business Studies in Accounting. Ms Lyons is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Governance Institute of Australia and a member of the Australian Institute of Superannuation Trustees.

Ms Lyons is a member of the Audit and Risk Committee, Investment Committee and Remuneration and Nomination Committee.

Having had regard to the ASX Principles, the Board considers Ms Lyons to be an independent director.

#### *Directors' Recommendation*

The Board unanimously (other than Ms Lyons) supports the re-election of Ms Lyons and recommends that Securityholders vote in favour of this resolution.

## ITEM 4 – Ratification of issue of Stapled Securities

### Background

On 3 May 2017, the Group announced a capital raising via a security placement to institutional investors (**Placement**). A total of 12,307,616 securities (**Placement Securities**) were issued and allotted on 15 May 2017.

### Reasons for resolution

As outlined in the ASX announcement of 3 May 2017, the Placement was carried out to finance the acquisition of five additional lifestyle communities.

Listing Rule 7.1 restricts the number of Equity Securities which a listed entity can issue in any 12 month period, without the approval of Securityholders, to 15% of the number of securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. Listing Rule 7.4 provides that an issue of securities is deemed to have been made with Securityholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and Securityholders subsequently approve the issue.

Therefore, if Securityholders ratify the issue of the Placement Securities pursuant to Item 4, the Group will have the flexibility to issue further Equity Securities up to the 15% limit over the next 12 month period because the Placement Securities will not be counted for the purposes of the 15% limit set out in Listing Rule 7.1.

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The following information is provided to Securityholders to allow them to assess Item 4, including for the purposes of Listing Rule 7.5:

- a. The number of securities allotted and issued: 12,307,616.
- b. Issue price: \$2.60 per Stapled Security. This price was equal to the Accelerated Non-Renounceable Entitlement Offer made to eligible Securityholders launched in conjunction with the Placement.
- c. Terms of the Securities: The Placement Securities allotted and issued rank equally with the existing securities on issue.
- d. Allottees: The Placement Securities were allotted and issued to new and existing institutional investors.
- e. Intended use of funds raised: Funds raised from the issue of the Placement Securities were used to fund the acquisition of five additional lifestyle communities.

### *Voting Exclusion Statement*

The Company will disregard any votes cast on Item 4 by any person who participated in the issue of the Placement Securities under this item and an associate of that person (or those persons). However the Company will not disregard a vote if it is cast as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### *Directors' Recommendation*

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

### **ITEMS 5 and 6: Grant of Short Term Incentive Plan Rights and Long Term Incentive Plan Rights to Mr Simon Owen**

The terms of Mr Owen's employment contract with Ingenia allows him to participate in the Ingenia Communities Group Rights Plan. The Board has proposed that for the year ending 30 June 2018, Mr Owen be eligible for Short Term Incentive Plan (**STIP**) Rights and Long Term Incentive Plan (**LTIP**) Rights (**Rights**).

The intention of the Rights Plan is to align Securityholder returns of Ingenia Communities Group with the 'at-risk' compensation potentially payable to executive level employees and to reward executives who remain in employment and perform at the required levels of performance.

For the year ending 30 June 2018, Mr Owen's remuneration comprises the following components:

- fixed remuneration, including statutory superannuation of \$682,500 per annum;
- an at-risk short term incentive of up to 90% of fixed remuneration as a maximum, with one-third payable in cash and the remaining two-thirds settled via Rights and deferred for 12 months; and
- an at-risk long term incentive of up to 80% of fixed remuneration in Rights.

The at-risk deferred portion of the short term incentive (**STI**) and the at-risk long term incentive (**LTI**) are granted under the Rights Plan and subject to the rules of that Rights Plan, in addition to the terms and conditions outlined below.

If Items 5 and 6 are approved by Securityholders, the Company will offer Mr Owen the Rights under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant and the Rights will be issued shortly thereafter.

### **STIP Award**

The amount of the STI, which Mr Owen is entitled to receive, will be determined by the Board, having regard to an assessment of the STIP Performance Conditions set out below following the end of the STI Performance Period (being from 1 July 2017 to 30 June 2018) (**STIP Award**).

The STIP Award is comprised of two components:

- One-third in cash (**STIP Cash Award**); and
- Two-thirds in Rights to INA Securities (**STIP Rights**).

### **STIP Cash Award**

It is intended that the STIP Cash Award will be paid on or about 1 October 2018, provided that Mr Owen continues to qualify for the STI.

### **STIP Rights**

The grant of STIP Rights to Mr Owen is subject to Securityholder approval. The number of STIP Rights to be granted to Mr Owen will be determined by dividing two-thirds of the maximum STIP Award (determined following testing against the STIP Performance Conditions) by the VWAP of INA Securities for the 30 trading days prior to the grant date (expected to be on or about 1 October 2018).

Total maximum STI Award for FY18: \$614,250

Two-thirds of maximum STI Award as STIP Rights: \$409,500

STIP Rights to be granted: \$409,500 divided by the VWAP of INA Securities for the 30 days prior to the grant date (expected to be 1 October 2018).

For example if the VWAP of INA Securities for the 30 days prior to the grant date was \$2.60 and the Board determined that Mr Owen was entitled to the full two-thirds of his STI Award, then 157,500 STIP Rights would be granted.

No amount is payable in return for the grant of the STIP Rights.

### Vesting of STIP Rights

The following terms and conditions apply to the STIP Rights:

- The STIP Rights are subject to a 'malus' provision during the deferral period – this means that some or all of the STIP Rights may lapse (and Mr Owen will not receive INA Securities) if:
  - the Board forms the view that INA's earnings growth is not sustainable (in general, this will require earnings growth to be equal to or above 5% on the prior year); or
  - any of the circumstances set out in rules of the Rights Plan occur such as fraud or dishonesty, a breach of obligations or material misstatement of Ingenia's financial statements.
- The STIP Rights are subject to a one-year deferral period and are eligible to vest on the date that is twelve months following the grant date.
- On the vesting date, Ingenia will cause the relevant number of INA Securities to be issued or transferred to Mr Owen as determined in accordance with the Rights Conversion Formula outlined below.
- No amount is payable in return for the issue or transfer of INA Securities.
- Rights will not lapse on cessation of employment unless termination is for cause, Mr Owen resigns, or the board in its discretion determines otherwise, having regard for the facts and circumstances at the time of the cessation of employment.

### STIP Performance Conditions

The STIP Award is subject to the STIP Performance Conditions or Key Performance Indicators (**KPIs**). In each case, the KPIs are set with 'threshold', 'performance' and 'stretch' performance levels (with entitlements calculated on a pro-rata basis between these levels). The KPIs are broken into four broad assessment areas: Financial, Capital Management, Operational and Culture and Reporting. Each assessment area is weighted to break down the award further. KPIs and their measures are related to the Assessment Areas.

### LTIP Award

#### Grant of LTIP Rights

The grant date, a date on and from the date of this Meeting and within 12 months of the date of this Meeting, of LTIP Rights is expected to be 14 November 2017. The grant of LTIP Rights to Mr Owen is subject to Securityholder approval.

The maximum number of LTIP Rights to be granted will be calculated by dividing the LTIP Award opportunity (being a percentage of Mr Owen's total fixed remuneration) by the VWAP of INA Securities for the 30 trading days prior to the grant date (expected to be on or about 15 November 2017).

Maximum LTIP Rights to be granted: \$546,000 divided by the VWAP of INA Securities for the 30 days prior to the grant date (expected to be 15 November 2017).

For example if the VWAP of INA Securities for the 30 days prior to the grant date was \$2.60, then 210,000 rights would be granted.

No amount is payable in return for the grant of the LTIP Rights.

### Vesting of LTIP Rights

Mr Owen's LTIP Rights will vest, to the extent that the Performance Conditions set out below are satisfied at the end of the LTI Performance Period (being from 1 October 2017 to 30 September 2020).

The following terms and conditions apply to Mr Owen's LTIP Rights:

- The LTIP Rights are subject to a 'malus' provision during the deferral period – this means that some or all of Mr Owen's LTIP Rights may lapse (and he will not receive INA Securities) if any of the circumstances set out in rules of the Rights Plan occur such as fraud or dishonesty, a breach of obligations or material misstatement of Ingenia's financial statements.
- On the vesting date, Ingenia will cause the relevant number of INA Securities to be issued or transferred to Mr Owen as determined in accordance with the Rights Conversion Formula outlined below.
- No amount is payable in return for the issue or transfer of INA Securities.
- Rights will not lapse on cessation of employment and will remain to be tested at the end of the Performance Period, unless termination is for cause, Mr Owen resigns, or the board in its discretion determines otherwise, having regard for the facts and circumstances at the time of the cessation of employment, including the proportion of the Performance Period in which Mr Owen was employed with the Company.

### LTIP Performance Conditions

The LTIP Rights offered are subject to the three LTIP Performance Conditions:

- i. 40% based on a relative Total Securityholder Return (**TSR**);
- ii. 30% based on a Return on Equity (**ROE**); and
- iii. 30% based on Earnings before Interest and Tax (**EBIT**) Compound Annual Growth Rate (**CAGR**).

### Relative TSR Performance Condition

TSR is the growth in the security price plus distributions, assuming distributions are reinvested. To minimise the impact of any short-term volatility, Ingenia's TSR will be calculated using the volume weighted average of the closing security price over the 30 days up to and including the trading day prior to the start and the 30 days up to and including the end trading day of the LTI Performance Period.

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The LTIP Rights will vest on the following basis:

	Growth rate in INA's TSR	% of LTIP Rights that vest
<b>At or Below Threshold</b>	Equal to or less than Index + 1% CAGR	Nil
<b>Between Threshold and Maximum</b>	Between Index + 1% and Index +6% CAGR	10% plus an additional amount progressively vesting on a straight line basis between Threshold and Maximum
<b>Maximum</b>	Equal to or greater than Index + 6% CAGR	100%

Index: ASX 300 Industrial Index

It is important to note that Mr Owen must outperform the Index with an Ingenia TSR that is at least the Index return plus 1 percentage point or more on a compounding annual basis to qualify for an award of LTIP Rights.

## ROE Performance Condition

ROE is defined as underlying profit divided by the weighted average net assets. The relevant metric is the ROE achieved in FY20.

Vesting levels for FY20 are:

	ROE	% of LTIP Rights that vest
<b>At or Below Threshold</b>	Less than 9.0%	Nil
<b>Between Threshold and Maximum</b>	Equal to or greater than 9%	30% plus an additional amount progressively vesting on a straight line basis between Threshold and Maximum
<b>Maximum</b>	Equal to or greater than 10%	100%

FY18 LTIP Rights will vest on the following basis:

	EBIT	% of LTIP Rights that vest
<b>At or Below Threshold</b>	Equal to or less than 10.0% CAGR	Nil
<b>Between Threshold and Maximum</b>	Between 10% and 20% CAGR	10% plus an additional amount progressively vesting on a straight line basis between Threshold and Maximum
<b>Maximum</b>	Equal to or greater than 20% CAGR	100%

## Rights Conversion Formula

Each vested STIP Right and LTIP Right (as relevant) entitles Mr Owen to receive one INA Security plus an additional number of INA Securities calculated on the basis of the distributions that would have been paid in respect of the INA Security during the relevant Period being reinvested in accordance with the following Rights Conversion Formula:

$$INA\ Security\ entitlement \stackrel{def}{=} E = \left(1 + \frac{dis_1}{P_{dis_1}}\right) * \left(1 + \frac{dis_2}{P_{dis_2}}\right) * \dots * \left(1 + \frac{dis_n}{P_{dis_n}}\right)$$

where:

- $E$  is the entitlement conversion factor;
- $dis_1, dis_2, \dots, dis_n$  are the distributions paid on an INA Security over the Period (with  $n$  being the total number of distributions paid over that Period);
- $P_{dis_1}, P_{dis_2}, \dots, P_{dis_n}$  are the end-of-day prices on the date that the distributions are paid (i.e. immediate reinvestment of distributions on the distribution date).

The total number of INA Securities that Mr Owen will receive upon vesting of the STIP Rights and/or the LTIP Rights will be the number of vested Rights converted multiplied by  $E$ , with the result rounded up to the nearest whole number.



### Securityholder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires Securityholder approval before a Director can acquire securities or rights to securities under an employee incentive scheme. Approval from Securityholders is being sought to grant rights to Mr Owen under the Ingenia Communities Group Rights Plan in respect of the period immediately following this Meeting, with any Rights issued within 12 months after the date of this Meeting.

### Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the Rights to be granted to Mr Owen under the Rights Plan:

#### i. Maximum number of Rights and Stapled Securities

The maximum number of Rights that may be granted to Mr Owen within 12 months of this Meeting is the sum of the maximum STIP Rights and LTIP Rights to be granted. The maximum STIP and LTIP Rights to be granted are calculated as follows:

#### ITEM 5:

Maximum STIP Rights to be granted: \$409,500 divided by the VWAP of INA Securities for the 30 days prior to the grant date (expected to be 1 October 2018).

#### ITEM 6:

Maximum LTIP Rights to be granted: \$546,000 divided by the VWAP of INA Securities for the 30 days prior to the grant date (expected to be 15 November 2017).

Thus, for example if the VWAP of INA Securities for the 30 days prior to the grant date was \$2.60, then 157,500 STIP Rights and 210,000 LTIP Rights totalling 367,500 Rights would be granted.

After the grant of Rights, the number of Stapled Securities that Mr Owen may receive at the end of the vesting period on the vesting date will be determined having regard to the satisfaction of the relevant Performance Conditions and Rights Conversion Formula.

The Board retains discretion on whether entitlements to Securities will be settled via the issue of INA Securities or via the payment of cash. On vesting of the Rights, the Board will decide on or around the vesting day whether entitlements to Securities will be Equity Settled or Cash Settled.

#### ii. Price for each Right (and the price for each INA Security that vests)

No payment for the Rights or upon vesting of the Rights is required by Mr Owen.

#### iii. Securities under the Rights Plan received since the last approval

- 124,598 LTIP Rights were issued to Mr Owen under the Rights Plan in November 2016, for zero acquisition price; and
- 73,522 STIP Rights were issued to Mr Owen under the Rights Plan in October 2016, for zero acquisition price.

It is anticipated that the following STIP Rights will be issued to Mr Owen under the Rights Plan in October 2017:

- \$252,525 divided by the 30 day VWAP prior to the grant date (expected to be 1 October 2017), at zero acquisition price.

#### iv. Persons who are entitled to participate in the Rights Plan

The eligible participants under the Rights Plan are employees of the Group (including Directors) or others who are determined by the Board to be eligible participants for the purposes of the Rights Plan.

Current participants in the Rights Plan are Mr Simon Owen (Managing Director and Chief Executive Officer) and KMP executives in the business. The granting of the Rights to senior executives other than Mr Owen did not require Securityholder approval. The details of grants to Mr Owen and other KMP executives are provided in the Company's Remuneration Report contained in the 2017 Annual Report.

The Board may agree that other nominated members of the executive management team may participate in the Rights Plan for the year ended 30 June 2018 in terms of both the deferred equity STI and LTI.

All directors, being Mr James Hazel, Mr Robert Morrison, Ms Amanda Heyworth, Mr Philip Clark, Ms Valerie Lyons and including Mr Owen, are those referred to in ASX Listing Rule 10.14 who are currently entitled to participate in the Rights Plan. Mr Owen is the only person referred to in ASX Listing Rule 10.14 who currently participates in the Rights Plan.

#### v. Terms of any related loan

There is no loan provided in relation to the acquisition of the Rights by Mr Owen.

#### vi. Issue date of Rights

The Rights will be granted to Mr Owen no earlier than immediately following this Meeting and no later than 12 months after this Meeting, on the conditions described in the Explanatory Notes.

#### Voting exclusion

The Company will disregard any votes cast on the proposed Items 5 and 6 by any Director of the Company (except one who is ineligible to participate in the Rights Plan), including Mr Owen and any associate of any such persons. However, the Company need not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b. it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, no KMP of the Company or a Closely Related Party or Associate of such a KMP may vote as a proxy on the proposed Items 5 and 6 unless:

- a. the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Items 5 and 6; or
- b. the person is the Chairman and votes as a proxy appointed by writing that authorises the Chairman to vote on the proposed Items 5 and 6 even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

#### Directors' Recommendation

The Board unanimously (other than Mr Owen) recommends that Securityholders vote in favour of the resolutions in items 5 and 6.

# Notice of Meetings 2017

INGENIA COMMUNITIES GROUP

## GLOSSARY

**AEDT** means Australian Eastern Daylight Savings Time as observed in Sydney, Australia.

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**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

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**Associate** has the meaning given to that term in sections 10 and 11 and sections 13 to 17 of the *Corporations Act*.

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**ASX** means ASX Limited ACN 008 624 691.

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**ASX Listing Rules** means the Listing Rules of the ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.

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**ASX Principles** means the ASX Corporate Governance Principles and Recommendations (3rd edition).

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**Board** means the current Board of directors of the Company.

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**Closely Related Party** has the meaning as defined in section 9 of the *Corporations Act*.

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**Company** means Ingenia Communities Holdings Limited (ACN 154 444 925).

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**Conditions** means one or more conditions contingent on performance, service, or time elapsed since grant which must be satisfied before a Right vests, as determined by the Board.

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**Constitution** means the Company's Constitution.

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**Corporations Act** means the *Corporations Act 2001* (Cth).

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**Directors** means the current Directors of the Company.

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**Entitlement Time** means 7:00pm (AEDT) on Sunday, 12 November 2017.

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**Explanatory Notes** means the Explanatory Notes accompanying the Notice.

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**Fund** means Ingenia Communities Fund (ARSN 107 459 576).

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**INA** means the Ingenia Communities Group (ASX code: INA), a stapled vehicle made up of a share in Ingenia Communities Holdings Limited, a unit in Ingenia Communities Management Trust and a unit in Ingenia Communities Fund.

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**INA Security** means a Stapled Security in INA.

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**Index** means ASX 300 Industrial Index.

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**Ingenia** or **Group** means the Ingenia Communities Group (ASX code: INA), a stapled vehicle made up of a share in Ingenia Communities Holdings Limited, a unit in Ingenia Communities Management Trust and a unit in Ingenia Communities Fund.

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**Items** means the resolutions set out in the Notice, or any one of them, as the context requires.

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**Key Management Personnel** or **KMP** has the meaning as defined in section 9 of the *Corporations Act*.

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**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

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**Proxy Deadline** means 11:30am (AEDT) on Sunday 12 November 2017.

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**Proxy Form** means the proxy form accompanying the Notice.

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**Related Body Corporate** has the meaning set out in in section 50 of the Corporations Act.

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**Remuneration Report** means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2017.

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**Responsible Entity** means Ingenia Communities RE Limited (ACN 154 464 990).

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**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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**Rights** mean short term incentive rights or long term incentive rights to acquire a Share issued under the Rights Plan.

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**Rights Plan** means the Ingenia Communities Group Rights Plan adopted by the Board on 23 May 2014 and amended on 4 May 2016.

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**Share** means a fully paid ordinary share in the capital of the Company.

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**Securityholder** means a holder of a Stapled Security.

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**Stapled Security** means one stapled security comprised of a Share and Unit in the Fund and Unit in the Trust.

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**Trust** means Ingenia Communities Management Trust (ARSN 122 928 410).

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**Unit** means a unit in the Trust or Fund.

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**Unitholder** means a holder of a unit in the Trust or Fund.

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**VWAP** means the 30-day volume weighted average price of INA securities

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**Ingenia Communities Group**

Level 9, 115 Pitt Street, Sydney, NSW 2000

**T.** 1300 132 946

**E.** [investor@ingeniacommunities.com.au](mailto:investor@ingeniacommunities.com.au)

**W.** [www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au)



**INGENIA COMMUNITIES GROUP**

INGENIA COMMUNITIES HOLDINGS LIMITED (ACN 154 444 925)  
 INGENIA COMMUNITIES MANAGEMENT TRUST (ARSN 122 928 410)  
 INGENIA COMMUNITIES FUND (ARSN 107 459 576)  
 RESPONSIBLE ENTITY:  
 INGENIA COMMUNITIES RE LIMITED (ACN 154 464 990)


**LODGE YOUR VOTE**

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
 Ingenia Communities Group  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia

 **BY FAX**  
 +61 2 9287 0309

 **BY HAND**  
 Link Market Services Limited  
 Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
 Telephone: +61 1300 554 474



**X999999999999**

**PROXY FORM**

I/We being a securityholder(s) of Ingenia Communities Group and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:30am (AEDT) on Tuesday, 14 November 2017 at Sofitel Sydney Wentworth Hotel, 61 – 101 Phillip Street, Sydney (the Meeting)** and at any postponement or adjournment of the Meeting.


**Important for Items 2, 5 and 6:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items **2, 5 and 6**, even though the items are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an**

Items	For Against Abstain*				For Against Abstain*		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Grant of Short Term Incentive Plan Rights to Mr Simon Owen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.1 Re-election of Ms Amanda Heyworth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Grant of Long Term Incentive Plan Rights to Mr Simon Owen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2 Election of Ms Valerie Lyons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Ratification of issue of Stapled Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

**SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual)  Joint Securityholder 2 (Individual)  Joint Securityholder 3 (Individual)   
 Sole Director and Sole Company Secretary  Director/Company Secretary (Delete one)  Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



# HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

## YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

## APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

## DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

## PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP

## VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

## SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

## CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

## LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am (AEDT) on Sunday, 12 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



### BY MAIL

Ingénia Communities Group  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



### BY FAX

+61 2 9287 0309



### BY HAND

delivering it to Link Market Services Limited\*  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)



## COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**