

# NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY MEMORANDUM 2019

**DATE OF MEETING:**

Friday 22 November 2019

**TIME OF MEETING:**

10.00am (AEDT)

**INVESTOR REGISTRATION:**

From 9.45am (AEDT)

**VENUE**

Hall & Wilcox,  
Level 11 Rialto South Tower  
525 Collins Street,  
Melbourne, VIC 3000

**2019 ANNUAL REPORT**

Investors are encouraged to read the 2019 Annual Report prior to the AGM. Please visit [www.arena.com.au](http://www.arena.com.au) to download your copy.





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## FURTHER INFORMATION

If you have any questions regarding this document, please contact the toll free Information Line on 1800 008 494 (within Australia) or +61 3 9093 9000 (outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.

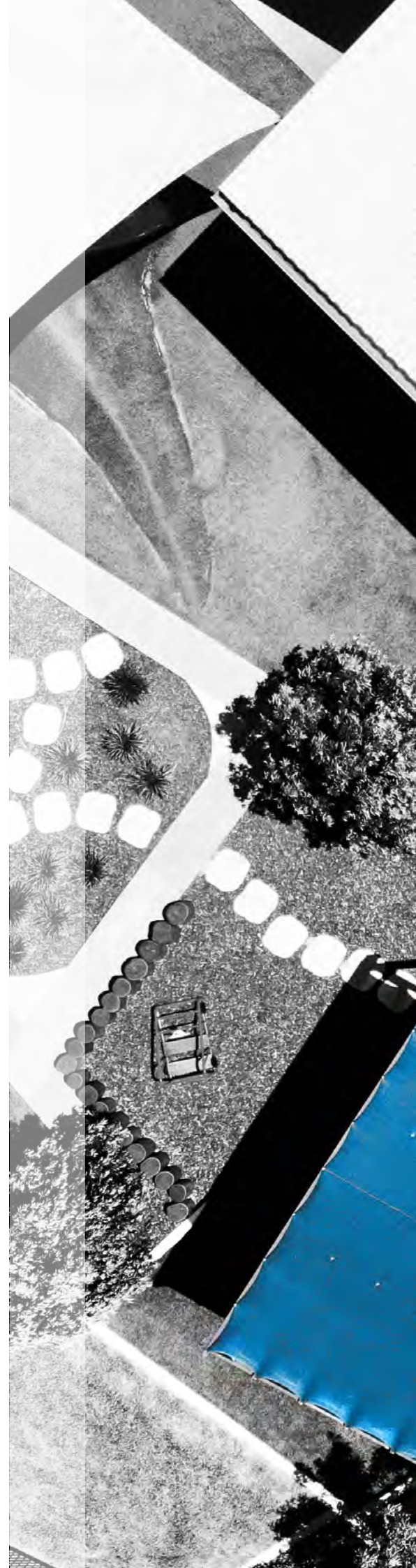
Alternatively, you may also contact your financial, legal, taxation or other professional adviser.

## HOW TO VOTE

To vote, eligible Securityholders should either:

1. **Attend the Meeting** on Friday 22 November 2019 and vote in person.
2. **Vote online:** [www.votingonline.com.au/ARFAGM2019](http://www.votingonline.com.au/ARFAGM2019) prior to 10.00am (AEDT) Wednesday 20 November 2019.
3. **Lodge a proxy form** by mail, fax or in person to Boardroom and ensure it is received by 10.00am (AEDT) Wednesday 20 November 2019.

Please refer to page 6 for further details regarding how to vote.



# INTRODUCTION

Dear Investor

I am pleased to invite you to attend the annual general meeting of shareholders in Arena REIT Limited (**the Company**) and the general meetings of unitholders in Arena REIT No. 1 and Arena REIT No. 2 (together, **the Trusts**), which together constitute Arena REIT's 2019 Annual General Meeting (**AGM**) of Securityholders.

The AGM will be held at Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne on Friday 22 November 2019 at 10.00am (AEDT). Enclosed are the Notice of Meeting, the accompanying Explanatory Memorandum explaining the formal business of the meeting and a personalised voting and proxy form.

In conjunction with this Notice of Meeting, Arena REIT has also published its 2019 Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2019.

If you have elected to receive the 2019 Annual Report by post, a copy of it will accompany this Notice of Meeting. The report is also available on the Arena website ([www.arena.com.au](http://www.arena.com.au)) and we encourage you to view it online ahead of the AGM.

The AGM will commence with an introductory presentation from me, followed by a presentation from Rob de Vos, the Managing Director, who will provide an overview of the recent operating performance of Arena REIT. This will be followed by the formal items of business and, finally, an opportunity for Securityholders to ask general questions at the end of the meeting. You may also submit questions up to a week prior to the meeting by visiting [www.arena.com.au/AGMquestions2019](http://www.arena.com.au/AGMquestions2019).

The formal part of the meeting is to consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019 (as contained in the 2019 Annual Report), to vote on the Remuneration Report, the appointment of Ms Rosemary Hartnett and re-appointment of Dr Simon Parsons as non-executive directors, the ratification of the Placement and the grant of deferred short term incentive rights and long term incentive performance rights to the Managing Director and Chief Financial Officer.

The Independent Directors unanimously recommend that you vote in favour of all resolutions. It is proposed that all resolutions will be determined by a poll. The voting results of the AGM will be announced to the ASX following the conclusion of the AGM.

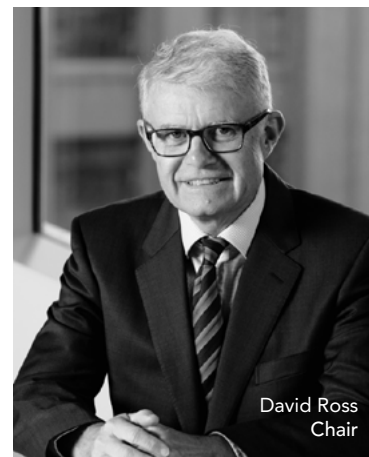
I look forward to seeing those Securityholders who are able to attend on 22 November 2019. At the conclusion of the AGM, the Board and senior executives will be available to meet with you over refreshments.

Yours sincerely



David Ross, Chair

26 September 2019



David Ross  
Chair



# NOTICE OF ANNUAL GENERAL MEETING

Annual General Meeting of Arena REIT Limited and General Meeting of Arena REIT No.1 and General Meeting of Arena REIT No.2 (together Arena REIT).

Notice is given that a meeting of shareholders in Arena REIT Limited (ACN 602 365 186) (**the Company**) will be held in conjunction with meetings of unitholders in trusts Arena REIT No.1 and Arena REIT No.2 (**the Trusts**) and together, these three simultaneous general meetings will constitute the AGM of Arena REIT, as follows:

**Time:** 10.00 am (AEDT)

**Date:** Friday 22 November 2019

**Venue:** Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne Victoria

Arena REIT Management Limited (ACN 600 069 761, AFSL 465754) (**Responsible Entity**) is the responsible entity of the Trusts.

## BUSINESS OF THE MEETING

The business to be considered at the AGM is as follows:

### Ordinary Business

#### Financial Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report, each for the financial year ended 30 June 2019.

#### Resolution 1 – Non-binding advisory vote on the Remuneration Report

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

*'That the Remuneration Report for the financial year ended 30 June 2019 be adopted.'*

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

### Other Business

#### Resolution 2 – Election of Ms Rosemary Hartnett as a director of the Company

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

*'That Ms Rosemary Hartnett, who was appointed as a director by the Board on 13 August 2019 in accordance with ASX Listing Rule 14.4 and clause 2.3(b) of the Company's constitution and whose appointment as a director expires at the conclusion of the Annual General Meeting and, being eligible, offers herself for election, be elected as a director of the Company.'*

#### Resolution 3 – Re-election of Dr Simon Parsons as a director of the Company

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

*'That Dr Simon Parsons, who retires by rotation in accordance with ASX Listing Rules 14.4 and 14.5 and, being eligible, offers himself for re-election, be re-elected as a director of the Company.'*

#### Resolution 4 – Ratification of Placement

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

*'That for the purpose of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 18,726,592 Securities at an issue price of \$2.67 per Security, under a placement to institutional investors as detailed in the Explanatory Memorandum (Placement), be ratified.'*

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

#### Resolution 5 – Grant of Deferred STI Rights to Mr Rob de Vos

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

*'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Rob de Vos, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'*

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

#### Resolution 6 – Grant of LTI Performance Rights to Mr Rob de Vos

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

*'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Rob de Vos, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'*

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

#### Resolution 7 – Grant of Deferred STI Rights to Mr Gareth Winter

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

*'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the chief financial officer*

and an executive director of the Responsible Entity, Mr Gareth Winter, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

#### **Resolution 8 – Grant of LTI Performance Rights to Mr Gareth Winter**

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

*'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the chief financial officer and an executive director of the Responsible Entity, Mr Gareth Winter, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'*

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

## **NOTES**

### **Chair**

Under the Corporations Act, Arena REIT is entitled to appoint a person to chair the AGM. The Responsible Entity and board of the Company intend to appoint Arena REIT's Independent, Non-executive Chair, Mr David Ross, to act as chair of the AGM (Chair) in accordance with the constitution of the Company and section 252S of the Corporations Act.

### **Quorum**

The quorum required at the AGM is at least two Securityholders in person or by proxy. No business other than the election of the Chair (if applicable) and the adjournment of a meeting may be transacted at a meeting unless a quorum is present. If the quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting will be adjourned as the Chair directs.

### **Required majority**

Resolutions 2 through 8 are all ordinary resolutions, and therefore will be passed if more than 50% of the votes cast by Securityholders present (in person or by representative or proxy) and eligible to vote are cast in favour of each resolution.

### **Voting exclusion statement**

The Chair will disregard any votes cast by a person who is not entitled to vote according to section 253E of the Corporations Act. This section provides that the Responsible Entity and its associates are not entitled to vote on a resolution if they have an interest in the resolution, other than as a Securityholder. The Chair will not, however, disregard a vote if it is cast by the Responsible

Entity or one of its associates as proxy for a person who is entitled to vote, if their proxy appointment specifies the way they are to vote and they vote that way. For specific voting exclusion statements, please refer to the Explanatory Memorandum.

### **Voting in person by an individual**

To vote in person, you are required to attend the AGM on Friday 22 November 2019 or any adjournment of the AGM. Please arrive 15 minutes prior to the start of the AGM to facilitate the registration process.

### **Voting by a company**

In order to vote at the AGM, a corporate Securityholder may either appoint a proxy or appoint an individual as its corporate representative to exercise its powers.

All appointed corporate representatives should either lodge with Arena REIT's registry, Boardroom Pty Limited, before the AGM, or bring to the AGM, evidence of their appointment, including any signed authority. Any corporate Securityholder wishing to appoint a proxy should refer to sections on 'Voting by proxy', below, and 'How to vote', overleaf.

### **Voting by proxy**

Each Securityholder entitled to vote at the AGM has a right to appoint a proxy to attend and vote on their behalf. A proxy does not need to be a Securityholder, and you may appoint the Chair of the AGM as your proxy. A Securityholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. However, if no proportion or number is specified, then each proxy may exercise half of the Securityholder's votes. If a Securityholder returns an undirected proxy form and the Chair is appointed as their proxy, then the Chair will vote in favour of each resolution.

The proxy form, which accompanies this Notice of Annual General Meeting, includes instructions on how to vote and appoint a proxy. To be valid, Arena REIT's registry, Boardroom Pty Limited, must receive your proxy form by no later than 10.00 am (AEDT) on Wednesday 20 November 2019 via mail, online, fax or in person.

### **Results**

The voting results of the AGM will be released to the ASX following the AGM.

# HOW TO VOTE

## BY PROXY

### Online:

**Step 1:** Visit [www.votingonline.com.au/ARFAGM2019](http://www.votingonline.com.au/ARFAGM2019)

**Step 2:** Enter your Postcode or Country of Residence (if outside Australia)

**Step 3:** Enter your voting access code (VAC)

### By mail:

Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001, Australia

### By fax:

+ 61 2 9290 9655

### In person:

Boardroom Pty Limited  
Level 12, 225 George Street, Sydney NSW 2000

or

Level 7, 411 Collins Street, Melbourne VIC 3000

If voting by proxy, for your vote to be effective your proxy form must be received before 10.00am (AEDT) on Wednesday 20 November 2019.

## AT THE MEETING

Friday 22 November 2019  
10.00am (AEDT)

Hall & Wilcox, Level 11 Rialto South Tower  
525 Collins Street, Melbourne Victoria

Investor registration commences at 9.45am (AEDT).

## VOTING ENTITLEMENT

Securityholders registered as holders of stapled Securities in Arena REIT (comprising units in the Trusts and shares in the Company) as at 10.00am (AEDT) on Wednesday 20 November 2019 will be entitled to attend and vote at the AGM (subject to any voting exclusion).

The Responsible Entity and its associates are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a Securityholder in accordance with section 253E of the Corporations Act.

It is proposed that all resolutions will be determined by a poll.

## CORPORATE REPRESENTATIVES

A company wishing to appoint a person to act as its representative at the AGM must provide that person with a letter executed in accordance with the company's constitution and the Corporations Act authorising him or her to act as the Securityholder's representative. A 'Certificate of Appointment of Representative' may be obtained from Arena REIT's registry, Boardroom Pty Limited.

Additional information concerning the proposed resolutions is contained in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

Issued by Arena REIT Management Limited (ACN 600 069 761) as the responsible entity of Arena REIT No.1 and Arena REIT No.2 and the board of Arena REIT Limited (ACN 602 365 186).

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the 2019 Notice of Annual General Meeting and contains information about the resolutions. You should read the Notice of Meeting and this Explanatory Memorandum carefully.

## ORDINARY BUSINESS

### Financial Reports

The Arena REIT 2019 Annual Report includes the Financial Report (which includes financial statements and the directors' declaration), the Directors' Report, and the Auditor's Report, and has been prepared and provided to those Securityholders who have elected to receive it. A copy of the Arena REIT 2019 Annual Report is also available online to download at [www.arena.com.au](http://www.arena.com.au).

Securityholders are not required to approve the Financial Report, the Directors' Report or the Auditor's Report. During this item of business, however, Securityholders will be given a reasonable opportunity to ask questions or make comments on the reports at the meeting.

Arena REIT's external auditor, PricewaterhouseCoopers (Auditor), will be present and also available to answer questions relevant to the conduct of the audit, including the independence of the Auditor, the preparation of the Auditor's Report and accounting policies adopted in relation to the preparation of the financial statements.

Securityholders may also submit written questions to the Auditor regarding the content of the audit report or the conduct of the audit process. A list of those relevant written questions will be made available to Securityholders who attend the AGM. A Securityholder wishing to submit a question to the Auditor should visit [www.arena.com.au/AGMquestions2019](http://www.arena.com.au/AGMquestions2019) no later than 5.00pm (AEDT) on Friday 15 November 2019.

### Schedule of voting exclusions

The Chair of the AGM will disregard any votes cast as follows:

Resolution No.	Resolution description	Who is excluded from voting in favour
1	Non-binding advisory vote on the Remuneration Report	Members of the KMP (being the directors and the other key management personnel as disclosed in the Remuneration Report) An associate of those persons
2	Election of Ms Rosemary Hartnett as a director of the Company	No exclusions
3	Re-election of Dr Simon Parsons as a director of the Company	No exclusions
4	Ratification of Placement	Any person who participated in the Placement and any associate of such persons
5 and 7	Grant of Deferred STI Rights	Mr Rob de Vos Any associate of Mr Rob de Vos Mr Gareth Winter Any associate of Mr Gareth Winter
6 and 8	Grant of LTI Performance Rights	Mr Rob de Vos Any associate of Mr Rob de Vos Mr Gareth Winter Any associate of Mr Gareth Winter

Note: the Chair of the AGM need not disregard a vote in respect of any resolutions if:

- > it is cast by a person (including the Chair of the AGM) as 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 who is Chair of the AGM as proxy for a person who is entitled to vote, where the proxy form does not specify the way the proxy is to vote on that resolution but expressly authorises the Chair of the AGM to exercise the proxy, even if that resolution is connected directly with the remuneration of a member of the Key Management Personnel (KMP).

# EXPLANATORY MEMORANDUM

## CONTINUED

### Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the board of the Company is presenting Arena REIT's Remuneration Report for the year ended 30 June 2019 to Securityholders for consideration and adoption by a non-binding vote.

The vote on this resolution is advisory only, and does not bind the board of the Company.

The Remuneration Report is included in the Arena REIT Annual Report 2019 and commences on page 21. The Remuneration Report describes Arena REIT's remuneration arrangements for KMP for the period ended 30 June 2019, including:

- › the remuneration framework adopted by the Board;
- › remuneration details for each independent director and executive KMP; and
- › Arena REIT's Short Term Incentive and Long Term Incentive Plans, including performance measures.

The Chair will give Securityholders an opportunity to ask questions about or make comments on the Remuneration Report. Although this vote does not bind the Directors, the Board intends to take into account the outcome of the vote and any Securityholder feedback when reviewing its remuneration policies and practices.

### Voting exclusion statement

The Chair of the AGM will disregard any votes cast in favour of Resolution 1 as noted in the schedule of voting exclusions.

The Chair of the AGM intends to vote all open proxies in favour of this resolution.

## OTHER BUSINESS

### Resolution 2 – Election of Ms Rosemary Hartnett as a director of the Company



Ms Hartnett was appointed as a director of the Company on 13 August 2019. In accordance with ASX Listing Rule 14.4 and clause 2.3(b) of the Company's constitution, Ms Hartnett offers herself for election as a director of the Company.

Arena undertook a thorough, independent search process, using the services of an external adviser, Spencer Stuart, prior to the appointment of Ms Hartnett.

Ms Hartnett has over 30 years' experience in the Australian property sector and extensive senior management experience in property finance, her former roles include senior property finance executive and a fund manager for trading and investment banks, including Macquarie Bank, ANZ and NAB.

Ms Hartnett is a qualified property valuer and was previously an independent director of Aconex and Wallara Australia and Chief Executive Officer of Housing Choices Australia, one of the country's leading registered housing associations.

Ms Hartnett is a member of the Arena REIT Audit Committee and the Arena REIT Remuneration and Nomination Committee.

**Other current directorships:** Chair and independent director of ISPT Pty Ltd (ISPT) and director of International Property Funds Management Pty Ltd (IPFM), ISPT's international property joint venture with IFM Investors Pty Ltd.

**Former directorships in last three years:** Aconex Limited and Wallara Australia Limited.

**The Chair of the AGM intends to vote all open proxies in favour of this resolution.**

### Resolution 3 – Re-election of Dr Simon Parsons as a director of the Company



Dr Parsons was appointed as a director of the Company on incorporation on 16 October 2014 and was re-elected to that position at the Annual General Meeting held on 17 November 2016. In accordance with ASX Listing Rule 14.4, Dr Parsons offers

himself for re-election as a director of the Company.

Dr Parsons has over 35 years' experience in the commercial property industry including former senior positions and directorships with a range of leading property-focused companies including Parsons Hill Stenhouse, Property Investment Research, Colliers International and Jones Lang Wootton (now Jones Lang La Salle). Dr Parsons holds a Master of Science (Real Estate), a Master of Social Science (Environment and Planning), and a PhD in land use planning, public policy and land economics. He is a Fellow of both the Royal Institution of Chartered Surveyors (RICS) and the Australian Institute of Company Directors (AICD).

Dr Parsons is a member of the Arena REIT Audit Committee and the Arena REIT Remuneration and Nomination Committee.

**Other current directorships:** None

**Former directorships in last three years:** None.

**The Chair of the AGM intends to vote all open proxies in favour of this resolution.**

### Resolution 4 – Ratification of Placement

The purpose of this resolution is to approve and ratify, in accordance with ASX Listing Rule 7.4, the previous issue of Securities to existing and new institutional investors via an institutional placement (Placement).

### Background

On 27 May 2019, Arena REIT issued 18,726,592 Securities at an issue price of \$2.67 per Security to existing and new institutional investors via a Placement arranged by Morgan Stanley Securities Limited.

The Securities issued were fully paid ordinary stapled securities in Arena REIT, ranking equally with all other ordinary Securities and having identical rights to existing Securities quoted on the ASX.



Under ASX Listing Rule 7.1, Arena REIT may issue up to 15% of its issued capital without obtaining Securityholder approval in any 12 month period. The issue of Securities pursuant to the Placement did not exceed this 15% threshold. Without the approval sought under this Resolution 4, the Securities issued under the Placement would count towards the 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.4, however, provides that where Securityholders subsequently approve an issue of securities, that previous issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1. Therefore, if Resolution 4 is passed, Arena REIT's 15% placement capacity will be refreshed and Arena REIT will be able to issue further Securities up to that limit.

Funds raised by the Placement were used to purchase property consistent with Arena REIT's investment strategy.

#### **Voting exclusion statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in favour of Resolution 4 as noted in the Schedule of voting exclusions.

**The Chair of the AGM intends to vote all open proxies in favour of Resolution 4.**

#### **Resolution 5 – Grant of Deferred STI Rights to Mr Rob de Vos**

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of Deferred STI Rights to the Managing Director, Mr Rob de Vos, in accordance with the terms of Arena REIT's Deferred Short Term and Long Term Incentive Plan (the Plan) as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

#### **Voting exclusion statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in favour of Resolution 5 as noted in the Schedule of voting exclusions.

**The Chair of the AGM intends to vote all open proxies in favour of resolution 5.**

#### **Resolution 6 – Grant of LTI Performance Rights to Mr Rob de Vos**

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of LTI Performance Rights to the Managing Director, Mr Rob de Vos, in accordance with the terms of the Plan as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

#### **Voting exclusion statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in favour of Resolutions 6 as noted in the Schedule of voting exclusions.

**The Chair of the AGM intends to vote all open proxies in favour of resolution 6.**

#### **Resolution 7 – Grant of Deferred STI Rights to Mr Gareth Winter**

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of Deferred STI Rights to the chief financial officer and executive director, Mr Gareth Winter, in accordance with the terms of the Plan as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

#### **Voting exclusion statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in favour of Resolution 7 as noted in the Schedule of voting exclusions.

**The Chair of the AGM intends to vote all open proxies in favour of resolution 7.**

#### **Resolution 8 – Grant of LTI Performance Rights to Mr Gareth Winter**

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of LTI Performance Rights to the chief financial officer and executive director, Mr Gareth Winter, in accordance with the terms of the Plan as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

#### **Voting exclusion statement**

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in favour of Resolution 8 as noted in the Schedule of voting exclusions.

**The Chair of the AGM intends to vote all open proxies in favour of resolution 8.**

If Securityholder approval is not obtained in relation to any of Resolutions 5, 6, 7 or 8, in order to appropriately remunerate Mr de Vos and Mr Winter, the Board may consider providing alternative remuneration (equivalent to the value of the rights or performance rights at vesting had the resolution been approved by Securityholders), but the Board would only do so to the extent that the applicable conditions or performance measures were satisfied.

# EXPLANATORY MEMORANDUM

CONTINUED

## ANNEXURE A

### SUMMARY OF DEFERRED STI RIGHTS AND LTI PERFORMANCE RIGHTS

The key features of the rights proposed to be granted to Mr de Vos and Mr Winter are summarised in the table below. This information is relevant to Resolutions 5, 6, 7 and 8 of this Notice of Meeting.

Deferred STI Rights		
<b>Maximum number of Deferred STI Rights that may be granted</b>	Mr Rob de Vos, Managing Director 43,375 Deferred STI Rights Deferred STI Grant Value \$121,667	Mr Gareth Winter, Executive Director & CFO 33,422 Deferred STI Rights Deferred STI Grant Value \$93,750
	The maximum number of Deferred STI Rights is calculated as the Deferred STI grant value divided by the volume weighted average price of Arena REIT Stapled Securities for the 15 trading days prior to 1 July 2019 (on an ex-distribution basis) being \$2.805.	
<b>Why are Deferred STI Rights being granted?</b>	The Deferred STI Rights are being granted following an assessment by Arena REIT's Remuneration and Nomination Committee (comprising the Independent Directors) of executive performance against business plan objectives as described in the Remuneration Report contained within the Arena REIT 2019 Annual Report.	
<b>Vesting conditions</b>	Deferred STI Rights will vest at the end of the vesting period unless the Independent Directors in their absolute discretion determine otherwise.	
<b>Vesting period</b>	Deferred STI Rights are subject to a 12 month vesting period ending on 1 July 2020.	
<b>Allocation of Stapled Securities</b>	Each vested Deferred STI Right entitles the holder to one Security plus an additional number of Securities calculated on the basis of the distribution entitlement of those Securities (as announced to the ASX) over the vesting period calculated as the number of Securities that would have been acquired if the Distributions were reinvested in Securities applying the rules of the Arena REIT Dividend and Distribution Reinvestment Plan.	
<b>Change in control</b>	In the event of a change of control transaction or any proposed transaction that the Board in its discretion determines should be treated as a change of control, unvested Deferred STI Rights will vest at the time of the event (unless the Board determines another treatment in its discretion).	
<b>Other required information</b>	Mr de Vos and Mr Winter are the only persons referred to in ASX Listing Rule 10.14 who are entitled and eligible to participate in the Plan at the discretion of the Board.  Mr de Vos was appointed to the role of Managing Director on 19 February 2019, accordingly no prior approvals for the grant of Deferred STI Rights have been considered at an AGM.  Approvals were last received at the 2018 AGM for the grant of Deferred STI Rights to Mr Winter. In accordance with that approval 36,818 Deferred STI Rights were granted.	
LTI Performance Rights		
<b>Maximum number of LTI Performance Rights that may be granted</b>	Mr Rob de Vos, Managing Director 157,828 LTI Performance Rights LTI grant value \$277,778	Mr Gareth Winter, Executive Director & CFO 120,739 LTI Performance Rights LTI grant value \$212,500
	The maximum number of LTI Performance Rights is calculated as the LTI grant value divided by the independent valuation of an LTI Performance Right performed by Ernst & Young being \$1.76.	
<b>Why are LTI Performance Rights being granted?</b>	LTI Performance Rights are being granted as part of the remuneration of Mr de Vos (25% of total remuneration opportunity) and Mr Winter (25% of total remuneration opportunity).	

LTI Performance Rights (continued)				
Summary of performance conditions	Hurdle 1: Distributable Income per Security Weighting: 50%		Hurdle 2: Relative Total Shareholder Return Weighting: 50%	
	FY22 Distributable Income per Security	Hurdle 1 Component Vesting	Percentile Ranking	Hurdle 2 Component Vesting
	Below 15.1 cents per security	0% Vesting	Below 50th percentile	0% Vesting
	Between 15.1 cents and 16.0 cents	Progressive pro-rata vesting between 50% vesting (at 15.1 cents) and 100% vesting at 16.0	50th percentile and above	Progressive pro-rata vesting from the 50% percentile with 100% vesting at 75th percentile
What is Relative TSR?	Relative TSR performance is determined based on Arena REIT's total ASX return (assuming distributions are reinvested) ranking against the constituents of the comparator group over the performance period. The comparator group is A-REITs in the S&P/ASX 300 Accumulation Index at the date of the grant.			
Performance period	LTI Performance Rights are subject to a 3 year performance period commencing on 1 July 2019 and ending on 30 June 2022.			
Other vesting conditions	The Board has discretion to adjust vesting conditions and/or performance outcomes used for assessing whether the vesting conditions have been satisfied to ensure that participants are neither advantaged nor disadvantaged by matters that may affect outcomes (for example, by excluding non-recurrent items or the impact of significant acquisitions or disposals or the timing of material capital raisings).			
Allocation of Stapled Securities	Each vested LTI Performance Right entitles the holder to one Security.			
Change in control	In the event of a change of control transaction or any proposed transaction that the Board in its discretion determines should be treated as a change of control, a pro-rata number of unvested LTI Performance Rights vest at the time of the event, based on the performance period elapsed and the extent to which performance hurdles have been achieved at that time (unless the Board determines another treatment in its absolute discretion).			
Other required information	<p>Mr de Vos and Mr Winter are the only persons referred to in ASX Listing Rule 10.14 who are entitled and eligible to participate in the Plan at the discretion of the Board.</p> <p>Mr de Vos was appointed to the role of Managing Director on 19 February 2019, accordingly no prior approvals for the grant of LTI Performance Rights have been considered at an AGM.</p> <p>Approvals were last received at the 2018 AGM for the grant of LTI Performance Rights to Mr Winter. In accordance with that approval 140,450 LTI Performance Rights were granted. No amount was payable on the grant of the performance rights or will be payable if the performance rights vest. As at the date of this meeting, none of the performance rights have vested.</p>			

Deferred STI Rights and LTI Performance Rights	
Amount payable	No amount is payable.
Terms of any loan	No loans will be provided.
Issue of Securities	No rights will be granted pursuant to the resolutions more than 12 months after the date of the meeting.
Employment termination	<p>In the event of termination of employment:</p> <ul style="list-style-type: none"> <li>&gt; dismissal for cause or resignation: unvested rights lapse (unless the Board determines otherwise); and</li> <li>&gt; in all other circumstances: rights remain on foot subject to the original vesting period.</li> </ul> <p>The Board may cause a right to lapse in full and also allow accelerated vesting in special circumstances (subject to termination benefit cap rules).</p>

## GLOSSARY

**ACN:** Australian Company Number

**AEDT:** Australian Eastern Daylight Saving Time

**AFSL:** Australian Financial Services Licence

**Arena REIT:** The group comprising Arena REIT Limited, Arena REIT No.1 and Arena REIT No.2

**Arena REIT No.1:** Arena REIT No.1 (ARSN 106 891 641)

**Arena REIT No.2:** Arena REIT No.2 (ARSN 101 067 878)

**ARSN:** Australian Registered Scheme Number

**Associate:** has the meaning given to it in the ASX Listing Rules

**ASX:** ASX Limited (ACN 008 624 691) or the market operated by it (the Australian Securities Exchange), as the context requires

**Company:** Arena REIT Limited (ACN 602 365 186)

**Deferred STI Right:** Securities issued as a short term incentive in accordance with the Arena REIT Deferred Short Term and Long Term Incentive Plan

**Independent Director:** An Independent Director of Arena REIT Limited or Arena REIT Management Limited (as the context requires), namely: David Ross, Rosemary Hartnett, Simon Parsons and Dennis Wildenburg

**LTI Performance Right:** Securities issued as a long term incentive in accordance with the Arena REIT Deferred Short Term and Long Term Incentive Plan

**Placement:** Institutional placement, underwritten by Morgan Stanley Australia Securities Limited, which was completed on 27 May 2019

**Plan:** Arena REIT Deferred Short Term and Long Term Incentive Plan

**Responsible Entity:** Arena REIT Management Limited (ACN 600 069 761) (AFSL 465754)

**Security or Securities:** Stapled securities in Arena REIT

**Securityholder:** A person who holds Securities

**Trust:** Each of Arena REIT No.1 and Arena REIT No.2 (collectively, Trusts)

## CORPORATE DIRECTORY

### Arena REIT Limited

ACN 602 365 186

### Arena REIT Management Limited (ARML)

ACN 600 069 761 AFSL 465754

### PRINCIPAL PLACE OF BUSINESS

Level 5, 41 Exhibition Street  
Melbourne VIC 3000

**Phone:** +61 3 9093 9000

**Fax:** +61 3 9093 9093

**Email:** [info@arena.com.au](mailto:info@arena.com.au)

**Website:** [www.arena.com.au](http://www.arena.com.au)

### DIRECTORS

David Ross (Independent, Non-Executive Chair)

Rosemary Hartnett (Independent, Non-Executive Director)

Simon Parsons (Independent, Non-Executive Director)

Dennis Wildenburg (Independent, Non-Executive Director)

Rob de Vos (Managing Director)

Gareth Winter (Executive Director of ARML)

### COMPANY SECRETARY

Gareth Winter

### AUDITOR

#### PricewaterhouseCoopers

2 Riverside Quay  
Southbank VIC 3006

### REGISTRY

#### Boardroom Pty Limited

Level 12, 225 George Street  
Sydney NSW 2000

Telephone: 1300 737 760

### INVESTOR INQUIRIES AND CORRESPONDENCE

#### Arena REIT

Locked Bag 32002  
Collins Street East  
Melbourne VIC 8003

**Telephone:** 1800 008 494

**Website:** [www.arena.com.au](http://www.arena.com.au)

**Email:** [info@arena.com.au](mailto:info@arena.com.au)

### STOCK EXCHANGE LISTING

Arena REIT stapled securities are listed on the Australian Securities Exchange (ASX)







#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received **before 10:00am (AEDT) on Wednesday, 20 November 2019.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/ARFAGM2019>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your voting access code (VAC)**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of Arena REIT. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting Arena REIT's securities registry or you may copy this form.

To appoint a second proxy, you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from Arena REIT's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director, who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Wednesday 20 November 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply-Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/ARFAGM2019>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street or  
Sydney NSW 2000 Australia  
Boardroom Pty Limited  
Level 7, 411 Collins Street  
Melbourne VIC 3000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Arena REIT (ARF)

## Your Address

This is your address as it appears on Arena REIT's register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a Securityholder of **Arena REIT** and entitled to attend and vote hereby appoint:

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

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of Arena REIT to be held at **Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000 on Friday 22 November 2019 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 5, 6, 7 & 8, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 5, 6, 7 & 8 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 5, 6, 7 & 8). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1#	Non-binding advisory vote on the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Ms Rosemary Hartnett as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Dr Simon Parsons as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4#	Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5#	Grant of Deferred STI Rights to Mr Rob de Vos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6#	Grant of LTI Performance Rights to Mr Rob de Vos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7#	Grant of Deferred STI Rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8#	Grant of LTI Performance Rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#These resolutions are subject to voting exclusions - Please read the voting exclusion statement included in the Arena REIT Notice of Annual General Meeting and Explanatory Memorandum

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019