

APN | Convenience Retail REIT

Convenience Retail REIT No. 1 ARSN 101 227 614
Convenience Retail REIT No. 2 ARSN 619 527 829
Convenience Retail REIT No. 3 ARSN 619 527 856

NOTICE OF GENERAL MEETINGS AND EXPLANATORY MEMORANDUM TO SECURITYHOLDERS

Date of General Meetings

Thursday, 12 November 2020

Time of General Meetings

10.00 AM (AEDT)

Place of General Meetings

Virtual Meeting

A Proxy Form is enclosed

Please read this Notice of General Meetings and Explanatory Memorandum carefully.

If you are unable to attend the General Meetings please complete and return the enclosed Proxy Form in accordance with the specified directions.

9 October 2020

Dear Investor

I am pleased to invite you to attend the General Meetings of the trusts comprising the APN Convenience Retail REIT, which will be held virtually on Thursday 12 November 2020, commencing at 10:00 AM (AEDT).

At the General Meetings, we will present on the performance of the APN Convenience Retail REIT for the 2020 financial year, provide an update on recent activities and propose a resolution to ratify a portion of an institutional placement conducted in June 2020 for the purposes of refreshing the APN Convenience Retail REIT's ongoing placement capacity.

Due to the current circumstances relating to the COVID-19 pandemic, including restrictions imposed by the Federal and State Governments, the General Meetings will be held virtually through an online platform, rather than at a physical location.

Securityholders may be present virtually and vote via the online platform provided by the APN Convenience Retail REIT share registrar Link Market Services, at <https://agmlive.link/AQR2020>.

Information about how to participate in the General Meetings is set out in this Notice of Meetings and the Virtual General Meeting Online Guide available on the APN Convenience Retail REIT website at <https://apngroup.com.au/fund/apn-convenience-retail-reit/>, which has also been lodged with ASX.

The online platform will provide a reasonable opportunity for Securityholders to participate in the General Meetings, and the General Meetings will operate on the basis that such participation will constitute Securityholders being present at the Meetings for all purposes.

Voting on the resolution will occur by way of poll, and the online platform will enable Securityholders to lodge a vote in real time.

If you have any queries about the General Meetings, please call Link Market Services Limited on 1300 554 474. If contacting us from outside of Australia, please call +61 1300 554 474.

I look forward to seeing as many of you as possible on Thursday 12 November 2020.

Yours faithfully



Geoff Brunsdon AM
Independent Chairman
APN Funds Management Limited

APN Convenience Retail REIT

Convenience Retail REIT No. 1 (ARSN 101 227 614)

Convenience Retail REIT No. 2 (ARSN 619 527 829)

Convenience Retail REIT No. 3 (ARSN 619 527 856)

NOTICE OF GENERAL MEETINGS

Notice is given that General Meetings of Securityholders of APN Convenience Retail REIT, comprising Convenience Retail REIT No. 1 (ARSN 101 227 614), Convenience Retail REIT No. 2 (ARSN 619 527 829) and Convenience Retail REIT No. 3 (ARSN 619 527 856) (together, the **Trusts**), will be held virtually on Thursday 12 November 2020, commencing at 10:00 AM (AEDT) for the purpose of transacting the following business referred to in this Notice of General Meetings.

The units in the Trusts are stapled together and are quoted jointly on the ASX. As such, the meetings for the Trusts will be held together simultaneously, subject to the discretion of the Chair of the General Meetings to adjourn or reconvene any specific General Meeting, if required.

Due to the current circumstances relating to the COVID-19 pandemic, including restrictions imposed by the Federal and State Governments, the General Meetings will be held virtually, through an online platform, rather than at a physical location.

This Notice of General Meetings is issued by APN Funds Management Limited (ACN 080 674 479) in its capacity as responsible entity for APN Convenience Retail REIT.

Terms and abbreviations are defined in the Glossary at the end of this Notice of General Meetings and Explanatory Memorandum.

For further information please refer to the Explanatory Memorandum which accompanies and forms part of this Notice of General Meetings.

The Responsible Entity intends to appoint Independent Director and Chairman of the Board, Geoff Brunson, to act as Chair of the General Meetings in accordance with the Corporations Act.

AGENDA

1. ORDINARY BUSINESS

Fund update

The Fund Manager will provide Securityholders with an update on the activities of the Fund and on the Fund's performance for the 2020 financial year.

While this item of business does not require a formal resolution to be put to the General Meetings, Securityholders will be provided with a reasonable opportunity to comment on or ask questions about the Fund and its recent activities.

2. SPECIAL BUSINESS

Resolution - Ratification of placement to investors under Listing Rule 7.1

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Securityholders ratify the issue of 11,836,507 Securities (at an issue price of \$3.20 per Security) to various sophisticated and professional investors pursuant to an institutional placement on 22 June 2020 under APN

Convenience Retail REIT's placement capacity under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: APN Convenience Retail REIT will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who participated in the issue the subject of the Resolution; or
- (b) an Associate of that person.

However, APN Convenience Retail REIT need not disregard a vote in favour of the Resolution if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting on the Resolution; and
 - the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Required majority

The Resolution is an ordinary resolution, and will be passed if more than 50% of the votes cast by Securityholders present (in person or by representative or by proxy) and eligible to vote are cast in favour of the Resolution.

MEETING INFORMATION FOR SECURITYHOLDERS

1. Eligibility to vote

Securityholders registered as holders of stapled securities in APN Convenience Retail REIT, comprising units in the Trusts) as at 7.00 pm (Melbourne time) on 10 November 2020 will be entitled to attend the General Meetings and vote on the Resolution.

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.

2. Voting methods

How to vote prior to the General Meetings

Securityholders may lodge a direct vote or appoint a proxy online at www.linkmarketservices.com.au or by submitting a voting form to the securities registry. Please note that your vote needs to be received by no later than 10.00 am (Melbourne Time) on Tuesday 10 November 2020.

To log in, you will need your holder identifier (SRN or HIN) and postcode.

How to be present virtually and vote at the General Meetings

Securityholders will have the opportunity to be present virtually via a live webcast and will be able to vote electronically via an online platform (including lodging a vote in real time and asking questions online).

You can access the platform at:
<https://agmlive.link/AQR2020>

To log in, you will need your holder identifier (SRN or HIN) and postcode.

Voting will be available between the registration open of the General Meetings (9.30 am on Thursday 12 November 2020) and the closure of voting as announced by the Chair during the General Meetings.

More information regarding online participation at the General Meetings including how to vote and ask questions is available in the Virtual General Meeting Online Guide. The Guide is available on the APN Convenience Retail REIT website and has been lodged with the ASX.

3. Voting

Attorneys

A Securityholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the General Meetings, the instrument effecting the appointment (or a certified copy of it) must be received by the APN Convenience Retail REIT its registered office or by its registry, Link Market Services, by no later than 10.00 am (Melbourne Time) on 10 November 2020.

Corporate representatives

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at the General Meetings. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body corporate could exercise at the General Meetings or in voting on the Resolution. A 'Certificate of Appointment of Representative' may be obtained from Link Market Services.

Please see the attached Explanatory Notes for further information in respect of the Resolution.

4. Voting by proxy

A proxy does not need to be a Securityholder, and you may appoint the Chair of the General Meetings as your proxy. A Securityholder who is entitled to cast two or more votes may appoint one or two proxies and specify the proportion or number of votes that each proxy is appointed to exercise.

If you sign a Proxy Form and do not appoint the Chair or specify an individual or body

corporate as your proxy, you will have appointed the Chair as your proxy by default. In that case, you will also be deemed to have directed the Chair to vote in favour of the Resolution.

If you appoint the Chair as your proxy and do not specifically direct the Chair how to vote on the Resolution, you will be deemed to have directed the Chair to vote in favour of the Resolution.

To be valid, Link Market Services Limited must receive your Proxy Form by no later than 10.00am (Melbourne time) on Tuesday 10 November 2020.

5. Submitting your Voting Form prior to the Meetings

Voting Forms and Proxy Forms can be submitted in one of the following ways:

By Mail: APN Convenience Retail REIT
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
1A Homebush Bay Drive, Rhodes
NSW 2138; or

Level 12, 680 George Street,
Sydney NSW 2000

Online: www.linkmarketservices.com.au

Step 1: Select Investor Login from the right hand menu.

Step 2: Select APN Convenience Retail REIT as the Issuer.

Step 3: Enter your Holder Identifier (which appears under the barcode on the front of your Proxy Form) and your postcode or Country.

Step 4: Enter the security code, tick the box to accept the terms and conditions and click "Login".

Step 5: Select 'Voting' from the top menu and follow the prompts to lodge your Proxy.

6. Questions

You may submit questions to be addressed at the General Meetings up to a week prior to the General Meetings by sending them to csecretary@apngroup.com.au.

Issued by APN Funds Management Limited (ACN 080 674 479 AFSL 237500) as the Responsible Entity of the Trusts.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Securityholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of General Meetings.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

RESOLUTION – RATIFICATION OF ISSUE OF SECURITIES TO VARIOUS SOPHISTICATED AND PROFESSIONAL INVESTORS UNDER ASX LISTING RULE 7.1

On 22 June 2020, each of the Trusts issued 15,625,000 Securities (at an issue price of \$3.20 per Security) through an institutional placement to institutional investors (**Placement**).

Securityholders are asked to approve the issue of 11,836,507 Securities under the Placement for the purposes of Listing Rule 7.4. The remaining 3,788,493 Securities issued under the Placement were issued in reliance on the additional 10% temporary placement capacity provided for under ASX Class Waiver Decision 'Temporary Extra Placement Capacity' and cannot be approved under Listing Rule 7.4 (**Class Waiver**).

Chapter 7 of the Listing Rules limits the number of ordinary securities that may be issued in the capital of a listed entity in any 12-month rolling period without securityholders' approval to 15% of the entity's capital, unless an exception set out in Listing Rule 7.2 applies to the issue. This 15% limit has been temporary increased by ASX to 25% (subject to certain terms and conditions) by the Class Waiver, given the current COVID-19 pandemic. No exceptions under Listing Rule 7.2 apply to the issue of Securities to institutional investors under the Placement. However, the issue of Securities as part of the securities purchase plan conducted shortly after the Placement on 17 July 2020 (**SPP**) does fall within an exception in Listing Rule 7.2.

Listing Rule 7.4 permits the ratification of previous issues of Securities made without prior Securityholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The Resolution seeks ratification under Listing Rule 7.4 of the issue of 11,836,507 Securities made on 22 June 2020 in order to restore the ability of APN Convenience Retail REIT to issue further Securities within the 15% limit during the next 12 months. The approval of the issue of the 11,836,507 Securities to institutional investors, by passing the Resolution, will exclude those Securities for the purposes of calculating the number of Securities that may be issued in a 12 month period under APN Convenience Retail REIT's placement capacity as set by the Listing Rules. However, the other 3,788,493 Securities issued under the Placement in reliance on the Class Waiver will continue to be included in such calculation.

The approval will provide flexibility for APN Convenience Retail REIT to undertake fundraising in the future, as opportunities arise, by maximising the number of Securities that can be issued over the next 12 months without further approval from Securityholders. If the Resolution is not approved, all of the Securities issued under the Placement will count towards the limit under Listing Rule 7.1 and APN Convenience Retail REIT's ability to issue additional Securities in the future (for example, to raise capital), should the need arise, will be restricted to the extent of its 15% placement capacity.

The following information in relation to the Securities issued under the Placement is provided to Securityholders for the purposes of Listing Rule 7.5:

- (a) number and class of securities issued: 15,625,000 fully paid stapled securities were issued under the Placement. However, approval under Listing Rule 7.4 is sought for only 11,836,507 of these Securities;
- (a) price at which the Securities were issued: \$3.20 per Security;

- (b) terms of the Securities: the Securities issued rank equally in all respects with the existing Securities on issue;
- (c) basis on which allottees of the Securities were determined: best efforts were used to allocate Securities under the Placement to existing Securityholders who were eligible to participate in the Placement on a pro-rata basis (with eligible Securityholders who submitted a bid for an amount less than or equal to their pro rata share of Securities under the Placement being allocated their full bid). The balance of the Securities under the Placement were allocated in consultation with Moelis Australia Advisory Pty Ltd as the underwriter, having regard to new Securityholders, long term supporters of APN Convenience Retail REIT and investors who supported the bookbuild process; and
- (d) the use (or intended use) of the funds raised: to strengthen APN Convenience Retail REIT's balance sheet by repaying debt, including debt incurred to complete the acquisitions of Coles Express Gatton and Coles Express Inverell, and to fund the associated transaction costs incurred in connection with the Placement and SPP..

The board of the Responsible Entity recommends that Securityholders vote in favour of the Resolution.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

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

Explanatory Memorandum means the explanatory memorandum accompanying this Notice of General Meetings.

Listing Rules means the ASX Listing Rules.

General Meetings means the General Meetings convened by the Notice of General Meetings.

Notice of General Meetings means this Notice of General Meetings.

Proxy Form means the proxy form accompanying this Notice of General Meetings.

Resolution means the resolution contained in this Notice of General Meetings.

Responsible Entity means APN Funds Management Limited (ACN 080 674 479).

Security a stapled security comprising one unit in each of the Trusts.

Securityholder means a securityholder of APN Convenience Retail REIT from time to time.

Trusts means together, Convenience Retail REIT No. 1 (ARSN 101 227 614), Convenience Retail REIT No. 2 (ARSN 619 527 829) and Convenience Retail REIT No. 3 (ARSN 619 527 856).



Responsible Entity

APN Funds Management Limited

ACN 080 674 479 AFSL No 237500

Level 30, 101 Collins Street
Melbourne Victoria 3000 Australia

T +61 (3) 8656 1000

F +61 (3) 8656 1010

W apngroup.com.au

APN | Convenience Retail REIT


Responsible Entity: APN Funds Management Limited
ACN 080 674 479 AFSL 237500

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
APN Convenience Retail REIT
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
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

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



X99999999999

VOTING FORM

I/We being a member(s) of APN Convenience Retail REIT (AQR) and entitled to attend and vote hereby appoint:

STEP 1 Please mark either A or B

A VOTE DIRECTLY

elect to lodge my/our vote(s) directly (mark box)

 in relation to the general meetings of AQR to be held at **10:00am (AEDT) on Thursday, 12 November 2020**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

B 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 and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meetings, 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 general meetings of AQR to be held at **10:00am (AEDT) on Thursday, 12 November 2020 (the Meetings)** and at any postponement or adjournment of the Meetings.

The Meeting will be conducted virtually. You can participate by logging in online at <https://agmlive.link/AQR2020> (refer to details in the Virtual Meeting Online Guide).

The Chairman of the Meetings intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by AQR if they are signed and received no later than 48 hours before the Meetings.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

For Against Abstain*

1 Ratification of placement to investors under Listing Rule 7.1

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* 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.

STEP 2

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).

AQR PRX2001N



HOW TO COMPLETE THIS SECURITYHOLDER VOTING FORM

YOUR NAME AND ADDRESS

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

VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Security Registrar's consent, identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meetings as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meetings as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder of AQR.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meetings will default to the Chairman of the Meetings, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meetings will be voted in favour of the relevant resolution.

VOTES ON RESOLUTIONS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. 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 a box opposite each resolution, your proxy may vote as he or she chooses on that resolution. If you mark more than one box on a resolution your vote on that resolution will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meetings and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning AQR's security 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 securityholder 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* (Cth)) 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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at 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 **10:00am (AEDT) on Tuesday, 10 November 2020**, being not later than 48 hours before the commencement of the Meetings. Any proxy form received after that time will not be valid for the scheduled Meetings.

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



ONLINE

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, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

APN Convenience Retail REIT
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*

1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

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