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**GPT**

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

# AGM



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# Chairman's Letter

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**ROB  
FERGUSON**  
CHAIRMAN

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Dear Securityholders

I am pleased to invite you to GPT's 2013 Annual General Meeting (AGM). The meeting will be held in The Hyde Park Room, Sheraton on the Park, 161 Elizabeth Street, Sydney on Thursday 2 May 2013 at 2.00pm (AEST). The meeting will also be webcast live on [www.gpt.com.au](http://www.gpt.com.au).

Enclosed is the Notice of Meeting and Explanatory Memorandum explaining the formal business of the meeting and the securityholder voting form. If you plan to attend the AGM, please bring this voting form with you as it contains a barcode to make your registration easier, as well as details of how to vote. Securityholders who are unable to attend in person may also use this form to appoint a proxy, or may appoint a proxy online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by following the instructions on the form (please see the Notice of Meeting and securityholder voting form for more information).

You will have previously received the GPT Annual Review for the financial year ended 31 December 2012, and if you elected to receive one, a copy of GPT's 2012 Annual Financial Report. These reports are available to all securityholders on request, and are available online at [www.gpt.com.au](http://www.gpt.com.au).

The AGM will commence with a presentation from myself, followed by Michael Cameron, Chief Executive Officer and Managing Director. This will be followed by the formal items of business and there will be time for general questions. You may also submit written questions in advance of the AGM by emailing them to the attention of Investor Relations at [gpt@gpt.com.au](mailto:gpt@gpt.com.au) (or post to Investor Relations, The GPT Group, Level 51, 19 Martin Place, Sydney NSW 2000) by Wednesday 24 April 2013. I will seek to address as many of the more frequently raised topics as possible at the AGM. If you have written questions for the Auditor PricewaterhouseCoopers, please use the form at the back of the Notice.

At the conclusion of the AGM, I invite you to join the Board and our Leadership Team for refreshments. I look forward to seeing as many of you as possible on the day.

Yours sincerely



**Rob Ferguson**  
Chairman

# Notice of Meeting

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## ANNUAL GENERAL MEETING OF GPT MANAGEMENT HOLDINGS LIMITED AND ANNUAL GENERAL MEETING OF THE GENERAL PROPERTY TRUST (TOGETHER, GPT)

Notice is given that a meeting of Securityholders of GPT Management Holdings Limited (ACN 113 510 188) (the **Company**) will be held in conjunction with a meeting of Unitholders of General Property Trust (ARSN 090 110 357) (the **Trust**) (together, the **Meeting**) at:

Time: 2pm

Date: Thursday, 2 May 2013

Place: Hyde Park Room, Sheraton on the Park, 161 Elizabeth Street, Sydney, New South Wales

The Responsible Entity of the Trust is GPT RE Limited (ACN 107 426 504, ASFL 286511).

## Business of the Meeting

### ORDINARY BUSINESS

#### Item 1 Directors' Report and Financial Statements

To receive the Directors' Report and financial statements for the year ended 31 December 2012 together with the Auditor's Report.

#### Item 2 Resolutions

##### Resolution 1 Re-election of Mr Robert Ferguson as a Director

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

*"That Mr Robert Ferguson, who retires in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."*

##### Resolution 2 Re-election of Ms Anne McDonald as a Director

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

*"That Ms Anne McDonald, who retires in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."*

##### Resolution 3 Re-election of Mr Brendan Crotty as a Director

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

*"That Mr Brendan Crotty, who retires in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."*

##### Resolution 4 Re-election of Dr Eileen Doyle as a Director

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

*"That Dr Eileen Doyle, who retires in accordance with rule 49 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."*

##### Resolution 5 Adoption of Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution of the Company:

*"That the Remuneration Report for the year ended 31 December 2012 be adopted."*

Votes on this resolution are advisory only and do not bind the Directors, the Company or the Responsible Entity.

### OTHER BUSINESS

##### Resolution 6 Grant of performance rights to the Company's Chief Executive Officer and Managing Director, Michael Cameron

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

*"That approval is given to grant to the Company's Chief Executive Officer and Managing Director, Mr Michael Cameron, Performance Rights under the GPT Group Stapled Security Rights Plan on the terms set out in the Explanatory Notes to this Notice of Meeting."*

# Notice of Meeting

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## **Resolution 7 Amendment of the Company's Constitution**

To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

*"That the amendments to the Constitution as set out in the Explanatory Memorandum to this Notice of Meeting be approved."*

## **Resolution 8 Amendment to Trust Deed**

To consider and, if thought fit, pass the following resolution as a special resolution of the Trust:

*"That the amendments to the Trust Deed as set out in the Explanatory Memorandum to this Notice of Meeting be approved."*

## **VOTING EXCLUSIONS**

The Responsible Entity and its associates are not entitled to vote their interest on a resolution if they have an interest in the resolution or matter other than as a member.

### **Resolution 5 (Adoption of Remuneration Report)**

In respect of Resolution 5, in accordance with the *Corporations Act 2001* (Cth) (the **Corporations Act**), the Company will disregard any votes cast, in any capacity, by or on behalf of a member of the key management personnel (**KMP**) (whose remuneration is disclosed in the Remuneration Report) and a closely related party (such as close family members and any controlled companies) of those persons, unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting in accordance with an express authorisation in the proxy form to vote as the proxy decides.

### **Resolution 6 (Grant of performance rights to the Company's Chief Executive Officer and Managing Director, Michael Cameron)**

In respect of Resolution 6, in accordance with the ASX Listing Rules and the Corporations Act, the Company and the Trust will disregard any votes cast by a Director of the Company or the Responsible Entity of the Trust (except a Director who is ineligible to participate in any employee loan or incentive scheme), and any associate of that Director, and, in the case of the Company, the Company will disregard any votes cast as a proxy by a member of the KMP or their closely related parties, unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meetings in accordance with an express authorisation in the proxy form to vote as the proxy decides.

### **By order of the Board**



James Coyne  
Company Secretary

18 March 2013

# Notes Relating to Voting

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## Explanatory Memorandum

The resolutions contained in this Notice of Meeting should be read in conjunction with the attached Explanatory Memorandum. The Explanatory Memorandum forms part of this Notice of Meeting.

### Voting entitlement

The Directors have determined that for the purposes of determining voting entitlement at the Meeting, Stapled Securities will be taken to be held by persons who are registered as Securityholders at **7:00pm (Sydney time) on Tuesday 30 April 2013**. Accordingly, security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### How do you exercise your right to vote?

The vote on each resolution will be decided on a show of hands or a poll as determined by the Directors or the Chairman subject to any requirements of the Corporations Act and the Constitutions of the Company and the Trust.

In a resolution of the Company or Trust determined by a show of hands, each Securityholder present in person or by proxy has one vote. If your Stapled Securities are jointly held, only one of the joint holders is entitled to vote on a show of hands.

In a resolution of the Company determined by poll, each Securityholder present in person or by proxy has one vote for each fully paid ordinary Stapled Security held. On a poll, you need not exercise all of your votes in the same way, nor need you cast all of your votes.

In a resolution of the Trust determined by poll, each Securityholder present in person or by proxy has one vote for every dollar of the total interest they have. The value of a Securityholder's total interest in GPT will be calculated by reference to the last sale price of the Stapled Securities on the ASX on **Wednesday 1 May 2013**.

### Jointly held Stapled Securities

If your Stapled Securities are jointly held, only one of the joint holders is entitled to vote. If more than one Securityholder votes in respect of jointly held Stapled Securities, only the vote of the Securityholder whose name appears first in the register will be counted.

### Individuals

Where a Securityholder appoints an attorney to act on his or her behalf at the Meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by the Company at its registered office by **2:00pm (Sydney time) on Tuesday 30 April 2013**, unless it has been previously provided to the Company.

If you plan to attend the Meeting, we ask that you arrive 30 minutes prior to the time designated for the Meeting so that we may check the value of your Stapled Securities against the register of Securityholders and note your attendance.

**For catering purposes, if you propose to attend the Meeting, please telephone the GPT Securityholder Service Centre on 1800 025 095 (if in Australia) or +61 2 8239 3555 (if outside Australia) prior to Wednesday 24 April 2013.**

### Corporations

Where a corporation that is a Securityholder appoints a person to act as its representative, the appointment must comply with sections 250D (for the meeting of the Company) and 253B (for the meeting of the Trust) of the Corporations Act. The appointment must be received by the Company by **2:00pm (Sydney time) on Tuesday 30 April 2013**. Alternatively, the representative must bring to the Meeting satisfactory evidence of his or her appointment, including any authority under which it was signed.

# Notes Relating to Voting

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## Voting by proxy

If you cannot or do not wish to attend the Meeting, you may appoint a proxy to attend and vote for you. The proxy does not need to be a Securityholder. If you appoint two or more proxies, you must specify the proportion or number of votes that each proxy is entitled to exercise. If you do not, each will be entitled to vote half your votes. Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.

A Proxy Form must be signed by the Securityholder or their attorney or, in the case of a corporation, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the Proxy Form is signed by an attorney or by an authorised officer of a corporation, the power of attorney or other authority must accompany the Proxy Form unless it has previously been provided to the Company. If the Proxy Form is sent by fax, any accompanying power of attorney or other authority must be certified.

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

- it appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D (for the meeting of the Company) and 253B (for the meeting of the Trust) of the Corporations Act; and
- the instrument appointing the corporate representative is received by the Company at its registered office by **2:00pm (Sydney time) on Tuesday 30 April 2013**. Alternatively, the representative must bring to the Meeting satisfactory evidence of his or her appointment, including any authority under which it was signed.

Proxy Forms should be completed and returned by no later than **2:00pm (Sydney time) on Tuesday 30 April 2013**.

To ensure that all Securityholders can exercise their right to vote on the resolutions, a Proxy Form is enclosed together with a reply paid envelope. You can lodge the Proxy Form by sending it in the reply paid envelope or otherwise posting, delivering or faxing it to:

Link Market Services Limited  
Level 12  
680 George Street  
Sydney NSW 2000  
Fax: +61 2 9287 0309

Or

Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

You can also lodge your Proxy Form online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the Proxy Form. If in respect of any of the items of business you do not direct your proxy how to vote, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions. If you mark the abstain box for a particular item you are directing your proxy not to vote on your behalf and your Stapled Securities will not be counted in computing the required majority on a poll. Please refer to the Proxy Form for further instructions.

The Chairman of the Meeting is deemed to be appointed where a signed Proxy Form is returned which does not contain the name of a proxy. In addition, if you direct your proxy how to vote and your nominated proxy does not attend, or attends but does not vote, on a poll on a resolution, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.

For all resolutions that are directly or indirectly related to the remuneration of a member of the KMP (being Resolutions 5 and 6 of this Notice of Meeting), the Corporations Act prohibits KMP (other than the Chairman) and their closely related parties from voting as your proxy unless you direct them how to vote. Closely related party is defined in the Corporations Act and includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP.

If the Chairman of the Meeting is appointed, or taken to be appointed, as a proxy, you can direct the Chairman of the Meeting to vote for or against, or to abstain from voting on a resolution by marking the appropriate box opposite the relevant item on the proxy form. However, if the Chairman of the Meeting is your proxy and you do *not* mark any of the boxes opposite Resolutions 5 or 6, then by signing and returning the proxy form you will be expressly authorising the Chairman to vote as he sees fit in respect of the relevant resolution even though it is connected with the remuneration of GPT's KMP.

The Chairman intends to vote available undirected proxies in favour of all resolutions.

If you have any questions or would like a copy of the Company or Trust Constitutions, please contact the GPT Securityholder Service Centre on 1800 025 095 (if in Australia) or +61 2 8239 3555 (if outside Australia), between 8am and 5pm (Sydney time) Monday to Friday.

# Explanatory Memorandum

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This Explanatory Memorandum forms part of the 2013 Notice of Meeting and contains information about the resolutions contained in the Notice of Meeting. You should read the Notice of Meeting and this Explanatory Memorandum carefully.

## ORDINARY BUSINESS

### Item 1 – Directors' Report, Auditor's Report and Financial Statements

The Directors' Report, Auditor's Report and Financial Statements for the year ended 31 December 2012 will be tabled at the joint Annual General Meetings (the **Meeting**) of GPT Management Holdings Limited (the **Company**) and General Property Trust (the **Trust**) (together **GPT**).

GPT's Directors' Report, Auditor's Report and Financial Statements are included in GPT's Annual Financial Report. A copy of GPT's Annual Financial Report for the year ended 31 December 2012 is available on GPT's website (at [www.gpt.com.au](http://www.gpt.com.au)) or can be obtained by contacting Link Market Services Limited at the address included in the Notice of Meeting.

During this item of business, an opportunity will be given to Securityholders to ask questions about or make comments on the Directors' Report, Auditor's Report and Financial Statements.

GPT's external auditor, PricewaterhouseCoopers (the **Auditor**), will be present at the Meeting and will be available to answer questions relevant to the conduct of the audit, including the independence of the Auditor, the preparation and content of the Auditor's Report, and the accounting policies adopted by the Company in relation to the preparation of its financial statements.

Securityholders may also submit written questions to the Auditor relevant to the content of the audit report for the Company or the conduct of the audit for the Company. A list of those relevant written questions will be made available to Securityholders who attend the Meeting. The Auditor will either answer the questions at the Meeting or table written answers to them at the Meeting. If written answers are tabled at the Meeting, they will be made available to Securityholders as soon as practicable after the Meeting.

Please send any written questions for the Auditor:

- to GPT's registered office Level 51, 19 Martin Place, Sydney, NSW 2000, Attention Company Secretary;
- to Link Market Services Limited at the address included in the Notice of Meeting; or
- by facsimile to 02 9287 0309,

by no later than **5:00pm (Sydney time) on Wednesday 24 April 2013**.

### Item 2 – Resolutions

#### Resolution 1 – Re-election of Mr Robert Ferguson as a Director

Mr Ferguson joined the Board on 25 May 2009 and is currently the Chairman of the Board.

Mr Ferguson brings to the Board a wealth of knowledge and experience in finance, investment management and property as well as corporate governance.

Mr Ferguson is currently the Non-Executive Chairman of IMF (Australia) Limited, Non-Executive Chairman of Primary Health Care Limited and Non-Executive Director of MoneySwitch Limited.

Mr Ferguson was Managing Director and Chief Executive of Bankers Trust for 15 years and was an independent Non- Executive Director of Westfield for 10 years.

Mr Ferguson is a member of the Nomination and Remuneration Committee.

#### Recommendation

The Directors (other than Mr Ferguson) unanimously recommend that Securityholders vote in favour of the re-election of Mr Robert Ferguson as a Director.

#### Resolution 2 – Re-election of Ms Anne McDonald as a Director

Ms McDonald was appointed to the Board on 2 August 2006. Ms McDonald is a chartered accountant and was previously a partner of Ernst & Young for 15 years specialising as a company auditor and advising multinational and local companies on governance, risk management and accounting issues.

Ms McDonald is currently a Non-Executive Director of listed entities, Spark Infrastructure Group and Specialty Fashion Group. She is also a Non- Executive Director of Westpac's Life and General Insurance businesses. Ms McDonald also provides an advisory role to the Norton Rose Australian Partnership Council.

Ms McDonald is Chair of the Audit and Risk Management Committee.

#### Recommendation

The Directors (other than Ms McDonald) unanimously recommend that Securityholders vote in favour of the re-election of Ms Anne McDonald as a Director.



# Explanatory Memorandum

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## **Resolution 3 – Re-election of Mr Brendan Crotty as a Director**

Mr Crotty was appointed to the Board on 22 December 2009.

Mr Crotty brings extensive property industry expertise to the Board, including 17 years as Managing Director of Australand until his retirement in 2007. He is currently a director of Australand Funds Management Pty Ltd, Brickworks Limited and a privately owned major Victorian land and housing company. Mr Crotty is also Chairman of the Western Sydney Parklands Trust and RPS Australia Asia Pacific and a director of the Barangaroo Delivery Authority.

Mr Crotty is a member of the Audit and Risk Management Committee and a member of the Sustainability Committee.

### **Recommendation**

The Directors (other than Mr Crotty) unanimously recommend that Securityholders vote in favour of the re-election of Mr Brendan Crotty as a Director.

## **Resolution 4 – Re-election of Dr Eileen Doyle as a Director**

Dr Doyle was appointed to the Board on 1 March 2010.

Dr Doyle has over two decades of diverse business experience. She has held senior executive roles and Non-Executive Director roles in a wide range of industries, including research, financial services, building and construction, steel, mining, logistics and export. Currently, Dr Doyle's directorships include Hunter Valley Research Foundation (Chairman), CSIRO, Bradken Limited, Boral Limited and Newcastle Port Corporation.

Dr Doyle is Chair of the Sustainability Committee and a member of the Nomination and Remuneration Committee.

### **Recommendation**

The Directors (other than Dr Doyle) unanimously recommend that Securityholders vote in favour of the re-election of Dr Doyle as a Director.

## **Resolution 5 – Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Board is presenting GPT's Remuneration Report for the year ended 31 December 2012 to Securityholders for consideration and adoption by a non-binding vote.

The Remuneration Report commences on page 10 of GPT's Annual Financial Report. In accordance with the Corporations Act, the Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of GPT and the link between the remuneration of employees and GPT's performance; and
- sets out the remuneration arrangements in place for each Director and those members of the senior management team with authority and responsibility for planning, directing and controlling the activities of GPT.

An opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Securityholder vote on the Remuneration Report is advisory only and does not bind the Directors, the Company or the Responsible Entity. However, the Directors will take into account the discussion of this item and the outcome of the vote when considering the future remuneration arrangements of GPT.

### **Voting exclusion**

A voting exclusion applies to this resolution as set out in the Notice of Meeting under the heading 'Voting Exclusions'.

### **Recommendation**

The Directors unanimously recommend that Securityholders vote in favour of Resolution 5.

## **OTHER BUSINESS**

### **Resolution 6 – Grant of Performance Rights to Michael Cameron**

In accordance with ASX Listing Rule 10.14, GPT is seeking the approval of Securityholders for the proposed grant of performance rights (**Rights**) in relation to the 2013 year to the Chief Executive Officer and Managing Director, Mr Michael Cameron, on the terms set out below.

### **Terms and conditions**

If Securityholder approval is obtained, the Rights will be granted:

- as part of Mr Cameron's long-term incentive remuneration;
- under the terms of GPT's Long Term Incentive Plan that was approved by Securityholders in 2010; and
- at no cost to Mr Cameron, and no amount is payable on vesting of the Rights if performance conditions are met.

Each Right entitles Mr Cameron to one fully paid Stapled Security in GPT that will rank equally with those traded on the ASX at the time of issue. Rights do not carry any dividend or voting rights until they vest.

# Explanatory Memorandum

The number of Rights to be granted to Mr Cameron will be \$2,250,000, divided by GPT's quarter 4, 2012 volume weighted average price (VWAP) of \$3.5415, giving, on a rounded basis, 635,324 Rights.

If approval is received, it is the intention of the Board that the Rights will be granted to Mr Cameron as soon as is practicable following the Meeting, but in any event, no later than 12 months after the date of the meeting.

## Performance measures

The Board has determined that the Rights to be granted to Mr Cameron (if approval is received) will be subject to two performance conditions, outlined below. These performance conditions will be assessed over a three year performance period starting on 1 January 2013 and ending on 31 December 2015 (**Performance Period**).

Each performance measure will be tested against one half of the Rights to be granted to Mr Cameron under this Resolution.

- Total Return over the Performance Period having regard to GPT's Weighted Average Cost of Capital (**WACC**) – Total Return is defined as the sum of the change in Net Tangible Assets excluding movements in GPT's equity base arising from capital raisings or capital returns (**NTA**), plus distributions over the Performance Period, divided by the NTA at the beginning of the Performance Period.  
For the 2013 grant, the Total Return Range is between 9% and 9.5%. Vesting will be determined on a sliding scale, with 50% vesting at 9% Total Return and 100% vesting at 9.5% Total Return. Between these points, the level of vesting will be calculated on a straight-line basis.
- Total Shareholder Return (**TSR**) - This measure compares GPT's TSR performance with the TSR performance of selected constituents of the ASX 200 A-REIT Index over the Performance Period. In determining the entities to include in the TSR comparator group, entities that are not appropriate comparators due to the focus of their business operations or geographic footprint have been excluded. For the 2013 grant, the constituents are:
  - Westfield Retail Trust
  - Stockland
  - CFS Retail Property Trust
  - Mirvac Group
  - Dexus Property Group
  - Federation Centres
  - Commonwealth Property Office Fund
  - Investa Office Fund
  - Australand Property Group
  - Charter Hall Retail REIT
  - BWP Trust

TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in Stapled Securities and the final value of those Stapled Securities at the end of the relevant period, assuming distributions were reinvested, or such other method of calculation as determined by the Board.

Vesting will occur as follows:

	Relative Performance of GPT's TSR against constituents of the comparator group over the Performance Period	Percent vesting of TSR hurdled performance rights
<b>Threshold</b>	Below 51st percentile	No vesting
	51st percentile	50% vesting
<b>Maximum</b>	75th percentile	100% vesting
	Between 51st percentile, and 75th percentile.	Pro-rata straight line vesting between 50% and 100%.

Taken together, these performance measures create a long-term incentive scheme that is aligned to GPT's strategy to deliver sustained, superior returns in the following manner:

- The Total Return by reference to GPT's WACC measure assesses total returns from real estate over the long term by reference to GPT's cost of capital. It will focus on ensuring that GPT's portfolio is adding value from both an investment and an income perspective.
- TSR performance measures GPT's ability to deliver superior shareholder returns relative to its peers and competitors in the A-REIT sector.

There will be no re-testing of performance at the end of the Performance Period for any grants made under this resolution. If performance conditions are not met, the Rights will lapse.

# Explanatory Memorandum

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## Trading of securities once vested

Stapled Securities allocated upon vesting of the Rights will be subject to a holding lock for 7 years from the date the Rights are granted. The holding lock will be lifted upon earlier cessation of employment. In addition the Board may lift this restriction on trading upon application in exceptional circumstances. Any dealing in Stapled Securities will be subject to GPT's Personal Dealing Policy.

## Treatment of Rights on cessation of employment

Unvested Rights will lapse if Mr Cameron is terminated for cause. If Mr Cameron's employment is terminated for any other reason, unvested Rights will continue beyond cessation of employment and will vest or lapse depending on whether the performance conditions are achieved, subject to the Board's discretion to determine otherwise.

## Change of control

If a change of control of GPT occurs, for example a takeover or scheme of arrangement, the Board may determine that some or all Rights granted to Mr Cameron will vest, having regard to relevant individual and company performance indicators.

## Other information

In relation to the Plan:

- Mr Cameron is the only Director entitled to participate in the Plan.
- There is no loan scheme in relation to the Rights.
- 693,537 Rights have been issued to Mr Cameron since the last approval. In accordance with that approval, the Rights were granted at no cost to Mr Cameron, and no amount is payable on vesting of the Rights if performance conditions are met. Further details of Rights awarded to Mr Cameron are provided in the Remuneration Report for the financial year ended 31 December 2012.

## Voting exclusion

A voting exclusion applies to this resolution, as set out in the Notice of Meeting under the heading 'Voting Exclusions'.

## Recommendation

The Directors (other than Mr Cameron) unanimously recommend that Securityholders vote in favour of Resolution 6.

## Resolutions 7 and 8 — Amendment of the Company Constitution and the Trust Constitution

Resolutions 7 and 8 seek shareholder and unitholder approval, respectively, to amend the Company Constitution and the Trust Constitution to facilitate the sale of parcels of securities which constitute less than a marketable parcel (currently defined as a parcel with a market value of \$500).

Resolution 7 seeks shareholder approval pursuant to section 136(2) of the Corporations Act to insert into the Company Constitution new rule 28A, as set out in full in Schedule 1 to this Explanatory Memorandum.

Resolution 8 seeks unitholder approval pursuant to section 601GC(1)(a) to insert into the Trust Constitution new rule 19.5A, as set out in full in Schedule 2 to this Explanatory Memorandum.

If implemented, new rule 28A of the Company Constitution and new rule 19.5A of the Trust Constitution (together, the **Proposed New Rules**) will benefit those Securityholders who do not wish to retain small holdings as they will be able to sell their securities without incurring brokerage or other transaction costs which can be significant relative to the value of a small parcel of securities.

It is common practice for listed entities to include provisions equivalent to the Proposed New Rules in their constitutions. From the Company and the Trust's perspective, sale of holdings which constitute less than a marketable parcel can provide cost savings by reducing registry and administrative costs, which in turn benefits Securityholders generally.

Small holdings can be sold under the Proposed New Rules if the Company or the Responsible Entity (as applicable) sends a notice to the relevant Securityholders explaining the effect of the rule and advising them that they may choose to be exempt from the provisions. A minimum of 6 weeks must lapse after the notice is sent before a sale can be made so that each Securityholder has enough time to decide whether he or she wishes to keep his or her securities.

Under the Proposed New Rules, the shares or units (as applicable) must be sold at a price which the Company or the Responsible Entity (as applicable) consider is the best price reasonably available for them when they are sold. The Securityholder will not bear any costs involved in the sale as the rule requires that the costs be borne by either the purchaser, or the Company or the Responsible Entity (as applicable).

The provisions of the Proposed New Rules may be used in relation to each relevant Securityholder only once in a 12 month period and the sale procedure must be stopped if a takeover bid is announced before a sale is effected.



# Explanatory Memorandum

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As permitted by the Listing Rules, the Proposed New Rules also allow the Company and the Responsible Entity (as applicable) to divest small holdings where the small holdings were created as the result of a transfer of less than a marketable parcel of securities and to remove or change voting or dividend/distribution rights in respect of those small holdings.

The Responsible Entity and its associates are not entitled to vote their interest on a resolution of the Trust if they have an interest in the resolution or matter other than as a member.

## **Recommendation**

The Directors unanimously recommend that Securityholders vote in favour of Resolutions 7 and 8.

# Explanatory Memorandum

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## Schedule 1 – Terms of proposed rule 28A in the Company Constitution

### 28A. Selling Small Parcels

- (a) This Rule 28A applies while the company is admitted to the Official List. No part of this Rule 28A will apply to the extent that the Listing Rules specifically allow the Directors to act in a manner contrary to Rule 28A.
- (b) The Directors may cause the company to sell a Member's shares if those shares constitute less than a marketable parcel by following the procedures in this Rule 28A.
- (c) The Directors may send to a Member who holds, on the date decided by the Directors, less than a marketable parcel of shares in a class of shares of the company, a notice which:
  - (i) explains the effect of the notice under this Rule 28A; and
  - (ii) advises the holder that he or she may choose to be exempt from the provisions of this rule. A form of election for that purpose must be sent with the notice.
- (d) If, before 5.00pm Sydney time on a date specified in the notice which is no earlier than 6 weeks after the notice is sent:
  - (i) the company has not received a notice from the Member choosing to be exempt from the provisions of this Rule 28A; and
  - (ii) the Member has not increased his or her parcel to a marketable parcel,the member is taken to have irrevocably appointed the company as his or her agent to do anything in Rule 28A(f).
- (e) In addition to initiating a sale by sending a notice under Rule 28A(c), the Directors may also initiate a sale if a Member holds less than a marketable parcel and that holding was created by a transfer of a parcel of shares effected on or after 1 September 1999 that was less than a marketable parcel at the time that the transfer document was initiated or, in the case of a paper based transfer document, was lodged with the company. In that case:
  - (i) the Member is taken to have irrevocably appointed the company as his or her agent to do anything in Rule 28A(f); and
  - (ii) if the holding was created after the adoption of this rule, the Directors may remove or change the Member's rights to vote or receive dividends in respect of those shares. Any dividends withheld must be sent to the former holder after the sale when the former holder delivers to the company such proof of title as the Directors accept.
- (f) Subject to following the procedure in Rule 28A(d) or (e), the company may:
  - (i) sell the shares which constitute less than a marketable parcel as soon as practicable at a price which the Directors consider is the best price reasonably available for the shares when they are sold;
  - (ii) execute on behalf of a Member any transfer of shares under this Rule 28A;
  - (iii) subject to Rule 28A(g), deal with the proceeds of sale in accordance with Rule 21; and
  - (iv) receive any disclosure document, including a financial services guide, as agent for the Member.
- (g) The costs and expenses of any sale of shares arising from a notice under Rule 28A(c) (including brokerage and stamp duty) are payable by the purchaser or by the company.
- (h) A notice under Rule 28A(c) may be given to a Member only once in a 12 month period and may not be given during the offer period of a takeover bid for the company.
  - (i) If a takeover bid is announced after a notice is given but before an agreement is entered into for the sale of shares, this rule ceases to operate for those shares. However, despite Rule 28A(h), a new notice under Rule 28A(c) may be given after the offer period of the takeover bid closes.
- (j) The Directors may, before a sale is effected under this Rule 28A, revoke a notice given or suspend or terminate the operation of this rule either generally or in specific cases.
- (k) If a Member is registered in respect of more than one parcel of shares, the Directors may treat the Member as a separate Member in respect of each of those parcels so that this Rule 28A will operate as if each parcel were held by different persons.
- (l) Where a share forms part of a Stapled Security, the company may only sell the share under this Rule 28A if the Securities to which the share is Stapled are the subject of a contemporaneous sale.
- (m) In this Rule 28A, the term 'marketable parcel' has the meaning given to that term in the Listing Rules.

# Explanatory Memorandum

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## Schedule 2 – Terms of proposed new rule 19.5A in the Trust Constitution

### 19.5A Sale or redemption of small holdings

- (a) This clause 19.5A applies while the Units are Officially Quoted. No part of this clause 19.5A will apply to the extent that the Listing Rules specifically allow the Trustee to act in a manner contrary to this clause 19.5A.
- (b) The Trustee may in its discretion sell or redeem any Units held by a Unitholder if those Units constitute less than a Marketable Parcel by following the procedures in this clause 19.5A.
- (c) The Trustee may send to a Unitholder who holds, on the date decided by the Trustee, less than a Marketable Parcel of Units, a notice which:
  - (1) explains the effect of the notice under this clause 19.5A;
  - (2) advises the Unitholder that he or she may choose to be exempt from the provisions of this clause. A form of election for that purpose must be sent with the notice.
- (d) If, before 5.00pm Sydney time on a date specified in the notice which is no earlier than 6 weeks after the notice is sent:
  - (1) the Trustee has not received a notice from the Unitholder choosing to be exempt from the provisions of this clause 19.5A; and
  - (2) the market value of the Units held by the Unitholder has not increased to at least a Marketable Parcel,the Unitholder is taken to have irrevocably appointed the Trustee as his or her agent to do anything in clause 19.5A(f).
- (e) In addition to initiating a sale or redemption by sending a notice under clause 19.5A, the Trustee may also initiate a sale or redemption if a Unitholder holds less than a Marketable Parcel and that holding was created by a transfer of a parcel of Units effected on or after 1 September 1999 that was less than a Marketable Parcel at the time that the transfer document was initiated or, in the case of a paper-based transfer document, was lodged with the Trustee. In that case:
  - (1) the Unitholder is taken to have irrevocably appointed the Trustee as his or her agent to do anything in clause 19.5A(f); and
  - (2) if the holding was created after the adoption of this clause, the Trustee may remove or change the Unitholder's rights to vote or receive distributions in respect of those Units. Any distributions withheld must be sent to the former Unitholder after the sale when the former Unitholder delivers to the Trustee such proof of title as the Trustee accepts.
- (f) Subject to following the procedure in clause 19.5A(d) or (e), the Trustee may:
  - (1) sell the Units which constitute less than a Marketable Parcel as soon as practicable at a price which the Trustee considers is the best price reasonably available for the Units when they are sold;
  - (2) execute on behalf of a Unitholder any transfer of Units under this clause 19.5A;
  - (3) redeem the Units which constitute less than a Marketable Parcel as soon as practicable;
  - (4) subject to clause 19.5A(g), deal with the proceeds of sale in accordance with clause 3.14 as if they formed part of the proceeds of sale of a Forfeited Unit, however the proceeds of sale for any Units that are sold will not be sent to the former Unitholder until the Trustee has received the certificate (if any) relating to the Units, or is satisfied that the certificate has been lost or destroyed; and
  - (5) receive any disclosure document, including a financial services guide, as agent for the Unitholder.
- (g) The costs and expenses of any sale or redemption of Units arising from a notice under clause 19.5A(c) (including brokerage and stamp duty) are payable by the purchaser or by the Trustee, as the Trustee decides.
- (h) A notice under clause 19.5A(c) may be given to a Unitholder only once in a 12 month period and may not be given during the offer period of a takeover bid for the Trust.
- (i) If a takeover bid is announced after a notice is given but before an agreement is entered into for the sale of Units, this clause ceases to operate for those Units. However, despite clause 19.5A(h), a new notice under clause 19.5A(c) may be given after the offer period of the takeover bid closes.
- (j) The Trustee may, before a sale or redemption is effected under this clause 19.5A, revoke a notice given or suspend or terminate the operation of this clause either generally or in specific cases.
- (k) If a Unitholder is registered in respect of more than one parcel of Units, the Trustee may treat the Unitholder as a separate Unitholder in respect of each of those parcels so that this clause 19.5A will operate as if each parcel were held by different persons.
- (l) Where a Unit forms part of a Stapled Security, the Trustee may only redeem Units under this clause 19.5A if the Securities to which those Units are Stapled are the subject of a contemporaneous redemption and may only sell Units under this clause 19.5A if the Securities to which those Units are Stapled are the subject of a contemporaneous sale.





