

# Propertylink Group\*

## Notice of 2018 Annual General Meeting

---

For a meeting to be held on Friday 30 November 2018  
at 10am (AEDT) at Radisson Blu 27 O'Connell Street,  
Sydney NSW 2000

\*Propertylink (Holdings) Limited (ACN 092 684 798)

\*Propertylink Trust (ARSN 613 032 750)

\*Propertylink Australian Industrial Partnership (ARSN 613 032 812)





## INVITATION TO ATTEND THE 2018 ANNUAL GENERAL MEETING

Dear Securityholder

On behalf of the directors, I am pleased to invite you to the 2018 Annual General Meeting of Propertylink (Holdings) Limited and the General Meetings of Propertylink Trust and Propertylink Australian Industrial Partnership (the **Meeting**) for a briefing on the Group's operations for the financial year ending 30 June 2018 and to consider the matters set out in the enclosed Notice of Meeting.

**The Meeting will be held on Friday, 30 November 2018 at 10am (AEDT) at Radisson Blu 27 O'Connell Street, Sydney NSW 2000.**

Please find enclosed the Notice of Meeting and Proxy Form.

If you are attending the Meeting, please bring the attached Proxy Form with you as the barcode will assist in the registration process. If you are unable to attend, please complete and return your Proxy Form by no later than 10am (Sydney time) on Wednesday 28 November 2018 in accordance with the instructions on the attached Proxy Form.

Securityholders have the opportunity to submit written questions prior to the Meeting. We will seek to address as many of the frequently asked questions as possible at the Meeting. Representatives from KPMG will be present to respond to the questions received relating to the conduct of the audit, the preparation and content of the Auditor's Report, the independence of the auditor and the accounting policies adopted. Please note that written questions can be sent to [investorrelations@propertylink.com.au](mailto:investorrelations@propertylink.com.au) and received by Propertylink no later than 5pm Friday 23 November 2018.

Following the conclusion of the Meeting, I invite you to join the Propertylink Board and members of the Executive Team for refreshments.

If you require further information or have questions, please contact Computershare Investor Services Pty Ltd on 1300 850 505.

I look forward to your attendance at the Meeting.

Yours sincerely,



**Peter Lancken**

Chairman

Propertylink (Holdings) Limited (ACN 092 684 798)  
Propertylink Investment Management Limited (ACN 136 865 417)(AFSL 338189)  
As responsible entity of Propertylink Trust (ARSN 613 032 750)  
And Propertylink Australian Industrial Partnership (ARSN 613 032 812)

Level 29, 20 Bond Street, Sydney NSW 2000  
GPO Box 4622, Sydney NSW 2001  
Telephone +612 9186 4700

## NOTICE OF MEETING

Notice is given that the 2018 Annual General Meeting of shareholders of Propertylink (Holdings) Limited (**Company/PHL**) and the General Meetings of unitholders of Propertylink Trust (**PT**) and Propertylink Australian Industrial Partnership (**PAIP**) (together, the **Meeting**) will be held concurrently at Radisson Blu 27 O'Connell Street, Sydney NSW 2000 on Friday 30 November 2018 at 10.00 am (AEDT).

### BUSINESS OF THE MEETING

#### ITEM 1: FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and consider the Financial Report of Propertylink Group, Directors' Report and Auditor's Report for the financial year ended 30 June 2018.

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

#### ITEM 2: RE-ELECTION OF DIRECTOR

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

That Mr Anthony Ryan, a Director of PHL retiring in accordance with the PHL Constitution, is re-elected as a Director of the Company.

#### ITEM 3: INCREASE IN MAXIMUM AGGREGATE FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

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

*"That the maximum aggregate remuneration of Non-Executive Directors of the Company for their services as Directors of the Company in any year, be increased to \$900,000."*

##### Voting exclusion for Item 3

The Company will disregard any votes on Item 3 that are cast:

- in favour of the item by, or on behalf of, a director, and any of their associates (regardless of the capacity in which the vote is cast); and
- as a proxy by a person who is a member of the Company's key management personnel (**KMP**) at the date of the Meeting or their closely related parties,

unless the vote is cast by a person as a proxy for a person entitled to vote on this item:

- in accordance with the directions in the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though this item is connected with the remuneration of the Company's KMP.

#### ITEM 4: ADOPTION OF REMUNERATION REPORT

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

*"That the Remuneration Report included in the Annual Report for the year ended 30 June 2018 be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Company or the Directors.

##### Voting exclusion for Item 4

The Company will disregard any votes cast on Item 4:

- by, or on behalf of, a member of the Company's KMP named in the Remuneration Report for the year ended 30 June 2018 or their closely related parties (regardless of the capacity in which the vote is cast); and
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast by a person as a proxy for a person entitled to vote on this item:

- in accordance with the directions in the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though this item is connected with the remuneration of the Company's KMP.

## ITEM 5: APPROVAL OF ALLOCATIONS OF PERFORMANCE RIGHTS AND DEFERRED RESTRICTED SECURITIES TO MANAGING DIRECTOR

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

*"That approval is given to issue to the Managing Director and Chief Executive Officer, Stuart Dawes:*

- (a) Performance Rights; and*
- (b) Deferred Restricted Securities,*

*on the terms and conditions described in the Explanatory Notes accompanying the Notice of Meeting".*

## ITEM 6: APPROVAL OF ALLOCATIONS OF PERFORMANCE RIGHTS AND DEFERRED RESTRICTED SECURITIES TO EXECUTIVE DIRECTOR

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

*"That approval is given to issue to the Executive Director, Stephen Day:*

- (a) Performance Rights; and*
- (b) Deferred Restricted Securities,*

*on the terms and conditions described in the Explanatory Notes accompanying the Notice of Meeting".*

### Voting exclusion for Items 5 and 6

The Company, PT and PAIP will disregard any votes on Items 5 and 6 that are cast:

- in favour of Items 5 and 6 by, or on behalf of, Mr Stuart Dawes, Mr Stephen Day and any of their associates (regardless of the capacity in which the vote is cast); and
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast by a person as proxy for a person entitled to vote on the relevant item:

- in accordance with the directions on the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though the relevant resolution is connected with the remuneration of a member of the Company's KMP.

## ITEM 7: RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

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

*"That the proportional takeover provisions in the form of Rule 8 of the Constitution of Propertylink (Holdings) Limited and Clause 20 of the Constitutions of Propertylink Trust and Propertylink Australian Industrial Partnership be renewed for a further period of three years from the date of this meeting."*

### OTHER INFORMATION

Further information concerning each item of business is set out in the 'Background information' and Explanatory Notes which accompany and form part of this Notice of Meeting.

All items of business will be determined by poll.

By order of the boards of Propertylink (Holdings) Limited and Propertylink Investment Management Limited as Responsible Entity of Propertylink Trust and Propertylink Australian Industrial Partnership.



**Rebekah Hourigan**

Company Secretary

24 October 2018



## BACKGROUND INFORMATION

### DETERMINATION OF RIGHT TO VOTE

For the purposes of determining voting entitlements at the Meeting, Propertylink Group stapled securities will be taken to be held by persons who are registered as securityholders as at 7.00pm (AEDT) on Wednesday, 28 November 2018. Transactions registered after that time will be disregarded in determining securityholders' entitlements to attend and vote at the Meeting.

### VOTING

On a poll:

- in the case of a resolution of the Company, each securityholder present in person or by proxy, corporate representative or attorney has one vote for each share in the Company held; and
- the case of a resolution of PT and/or PAIP, each securityholder present in person or by proxy, corporate representative or attorney has one vote for each dollar of the value of total interests they have in the relevant registered managed investment scheme.

### PROXIES

If you cannot attend the Meeting, you are encouraged to appoint a proxy to attend and vote for you. You may nominate one or two persons to vote on your behalf at the Meeting. A proxy need not be a securityholder. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes.

To ensure that all securityholders can exercise their right to vote on the proposed resolutions, a Proxy Form is enclosed. The Proxy Form tells you what you need to do to lodge a valid proxy.

### KEY MANAGEMENT PERSONNEL (KMP) PROXY VOTING

With the exception of the Chairman, the KMP (which includes each of the Directors) and their closely related parties will not be able to vote your proxy on item 3 (Maximum Fees Payable to Non-Executive Directors), item 4 (Remuneration Report) and items 5 and 6 (Approval of Allocations of Performance Rights and Deferred Restricted Securities to Managing Director and Executive Director) unless you specifically direct them how to vote. If you intend to appoint a member of the KMP or one of their closely related parties as your proxy, please ensure that you direct them how to vote on items 3, 4, 5 and 6 by marking the boxes for the relevant items (for example to vote "for", "against" or to "abstain" from voting).

If you appoint the Chairman of the Meeting as your proxy, or the Chairman of the Meeting is appointed as your proxy by default, and you do not mark a box for items 3, 4, 5 or 6, then by completing and submitting the Proxy Form you will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant items, even though these items are connected with the remuneration of the KMP.

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

### SUBMITTING YOUR PROXY FORM

To be effective, your Proxy Form must be received **no later than 10.00am (AEDT) on Wednesday 28 November 2018**.

A Proxy Form may be returned by

- mail using the reply paid envelope provided to Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne, Victoria 3001;
- fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- online at [www.investorvote.com.au](http://www.investorvote.com.au).

### CORPORATIONS

In order to vote at the Meeting, a corporation that is a securityholder or a proxy for a securityholder may appoint a person to act as its representative. The appointment must comply with Sections 250D and 253B of the *Corporations Act 2001* (Cth) (**Corporations Act**). The representative should bring to the Meeting, evidence of his or her appointment, including any authority under which it is signed.

### JOINTLY HELD SECURITIES

If your stapled securities are held jointly, only one of the joint holders is entitled to vote at the Meeting. If both holders are present at the Meeting, only the vote of the person named first in the register counts.

---

## **VOTING BY ATTORNEY**

Where a securityholder appoints an attorney to act on his or her behalf at the Meeting, the appointment must be made by a duly executed power of attorney. A securityholder entitled to attend and cast at least two votes may appoint not more than two attorneys. A securityholder may, in the power of attorney appointing an attorney, direct the attorney how to vote in respect of each resolution. Any directions given in this manner must be followed.

The powers of attorney appointing an attorney, or a certified copy of the powers of attorney, must be sent to the Share Registry, Computershare Investor Services Pty Limited and received by 10.00 (AEDT) on Wednesday, 28 November 2018. Attorneys should also bring a copy of the power of attorney to the Meeting.

## **SECURITYHOLDER QUESTIONS**

Securityholders who are entitled to vote at the Meeting may submit written questions to Propertylink or the Auditor in advance of the Meeting. Written questions may be submitted to [investorrelations@propertylink.com.au](mailto:investorrelations@propertylink.com.au) and received by Propertylink no later than 5pm Friday 23 November 2018.

Questions should relate to matters that are relevant to the business of the Meeting, as outlined in the Notice of Meeting and the attached Explanatory Notice or, if directed to the Auditor, must relate to the content of the Auditor's reports or the conduct of the audit of the Financial Reports for the year ended 30 June 2018.

## **REGISTRATION**

Registration will commence at 9:30am on Friday 30 November 2018. For ease of registration, please bring your Proxy Form to the Meeting.

## **FURTHER INFORMATION**

Securityholders with any questions should contact Computershare Investor Services Pty Ltd on 1300 850 505 between 9.00 am and 5.00pm (AEDT) on business days or call the Company Secretary on +61 2 9186 4700.

## EXPLANATORY NOTES

### ITEM 1: REPORTS AND FINANCIAL STATEMENTS

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of Propertylink Group (comprising the Company, PT and PAIP) for the year ended 30 June 2018 will be laid before the Meeting. A copy of the Annual Report of Propertylink Group for the year ended 30 June 2018 is available on the Propertylink Group website at <https://propertylink.com.au/investor-centre/results-centre/>.

No resolution is required for this item of business.

### ITEM 2: RE-ELECTION OF DIRECTOR

Anthony Ryan



Mr Anthony Ryan, a Non-executive Director of PGL, retires in accordance with the PHL Constitution, and being eligible, offers himself for re-election.

Anthony was appointed to the Propertylink Board in July 2016 and is a member of Propertylink's Audit and Risk Committee. The Board has assessed Anthony Ryan as independent.

#### ***Skills, experience and qualifications***

Anthony is a real estate finance professional with over 25 years' experience in Australia and Asia spanning real estate corporate, project and structured finance.

Anthony is a former Managing Director of JPMorgan and was JPMorgan's Head of Real Estate Investment Banking for Asia.

Whilst at JPMorgan, Anthony advised on the listing of more than a dozen companies and REITs and provided strategic and transactional advice to a number of listed company boards.

Anthony is also real estate consultant to OCP Asia, an alternative asset manager based in Hong Kong, and is an independent member of the Propertylink Australian Industrial Partnership II (PAIP II) Investment Committee.

Over the last four years, Anthony has identified, sourced and provided monitoring for over \$1 billion of committed loans to real estate developers and development projects including commercial, hotel and residential projects.

Anthony holds a Bachelor of Commerce from the University of New South Wales and is a member of the Australian Institute of Company Directors.

#### **Recommendation**

The Directors (with Mr Ryan abstaining) recommend that securityholders vote in favour of Item 2.



### ITEM 3: APPROVAL OF INCREASE TO NON-EXECUTIVE DIRECTOR FEE POOL

Securityholder approval is sought to increase the maximum aggregate remuneration that can be paid to Non-Executive Directors of the Board by \$200,000 from \$700,000 to \$900,000 per annum.

In accordance with clause 10.3(a) of the Company Constitution and Listing Rule 10.17, the limit on total aggregate remuneration that may be paid to Non-Executive Directors is fixed by ordinary resolution of a general meeting of securityholders.

The Company's Non-Executive Directors are remunerated for their services from a maximum amount (currently \$700,000 per annum) approved by securityholders for that purpose. The current limit of \$700,000 was approved by Propertylink securityholders at the Annual General Meeting held on 25 October 2017. The remuneration of each Director for the year ended 30 June 2018 is detailed in the Company's 2018 Annual Report.

Non-Executive Directors' fees are reviewed annually, and are set and approved by the Board based on recommendations received from the Remuneration and Nomination Committee (**RNC**). An external benchmarking exercise was undertaken in May 2018. Board fees were reviewed on both a market capitalisation and industry basis and it was identified that Propertylink's Board fees were significantly lower than the average and median fees of the peer group. Based on these recommendations, the Board adopted the RNC recommendation to pay Non-Executive Directors the following fees from 1 July 2018:

- An increase of 30% for the Chair base fee for FY19 (from \$150,000 to \$195,000)
- An increase of 30% for the NED base fee for FY19 (from \$75,000 to \$97,500)
- Audit and Risk Chair and Member fees be increased for FY19 from \$15,000 to \$20,000 (Chair) and from \$5,000 to \$10,000 (Members)

The fee levels adopted will mean that total Board remuneration is approaching the approved limit of \$700,000. The Board therefore wishes to increase the maximum aggregate amount of fees that may be paid to Non-Executive Directors in any year to a maximum of \$900,000.

The Board considers that it is reasonable and appropriate to increase the remuneration pool for Non-Executive Directors to preserve flexibility for Propertylink to continue to recruit and retain high calibre Directors, while providing for appropriate transition periods as part of the Board's succession planning process. An increased pool will also provide additional capacity to respond to changes in market rates for Non-Executive Directors.

No securities have been issued to the Non-Executive Directors under ASX Listing Rules 10.11 or 10.14 with the approval of securityholders at any time in the last 3 years.

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

#### Recommendation

The Directors recommend that securityholders vote in favour of Item 3.

### ITEM 4: ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires that the Remuneration Report be put to a vote of securityholders for adoption by way of a non-binding vote.

The Remuneration Report for the financial year ended 30 June 2018 is set out on pages 40 to 49 of the 2018 Annual Report which can be found on Propertylink's website at <https://propertylink.com.au/investor-centre/results-centre/>.

The Remuneration Report provides Securityholders with an understanding of:

- (a) Propertylink Group's remuneration framework in relation to KMP;
- (b) The alignment between the remuneration framework and company performance; and
- (c) Individual outcomes for Propertylink Group's executives and Directors.

Propertylink's remuneration framework is designed to support and reinforce its principal strategic objectives. The purpose is to create a reward and incentive framework that produces remuneration outcomes that are aligned to corporate financial and operational performance, as well as the interests of securityholders, having regard to corporate governance best practice requirements.

During the Meeting, there will be an opportunity for securityholders to comment upon, and ask questions about the Remuneration Report.

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

#### Recommendation

Noting that the Directors each have a personal interest in their own remuneration as described in the Remuneration Report, the Directors recommend that securityholders vote in favour of Item 4.

## ITEMS 5 AND 6: APPROVAL OF ALLOCATIONS OF PERFORMANCE RIGHTS AND DEFERRED RESTRICTED SECURITIES TO MANAGING DIRECTOR/CEO AND EXECUTIVE DIRECTOR

Securityholder approval is being sought to allocate to the Managing Director and Chief Executive Officer of Propertylink, Stuart Dawes and Executive Director of Propertylink, Stephen Day (**Executive Directors**):

- Performance Rights in relation to FY2019 Long Term Incentive (**LTI**) awards; and
- Deferred Restricted Securities in relation to the deferred portion of any Short Term Incentive (**STI**) award for FY2019.

It is intended that the above awards will be made on the following dates:

- Performance Rights – within 1 month of the Meeting; and
- Deferred Restricted Securities – on or about 1 September 2019,

but in any event no later than 12 months after the date of the 2018 Meeting.

### Why is securityholder approval being sought?

ASX Listing Rule 10.14 requires that securityholders approve awards of securities issued to Directors under an employee incentive scheme. While the Board intends to source any Propertylink stapled securities allocated to the Executive Directors by purchasing them on-market (which are excluded from the operation of ASX Listing Rule 10.14), it is nevertheless seeking securityholder approval in the interests of transparency and good corporate governance, and to preserve flexibility if Propertylink Group decides at the time of vesting that it is more appropriate to issue stapled securities.

### Background

The Board reviews and approves the remuneration of KMP, including the Executive Directors, based on recommendations from the RNC. Remuneration is set based on an assessment of market evidence for comparable positions, including reference to entities listed in the S&P/ASX 300 A-REIT index. The Executive Directors remuneration packages include:

- Fixed remuneration;
- STI remuneration, set at a maximum of 120% of fixed remuneration for both Executive Directors; and
- LTI remuneration, set at a maximum of 100% of fixed remuneration for Stuart Dawes or a maximum of 75% of fixed remuneration for Stephen Day.

### Short Term Incentives

The purpose of the STI plan is to provide a cash and equity incentive opportunity to Executive Directors for the achievement of annual performance targets and objectives that are designed to support business performance and securityholder wealth creation.

A summary of the key features of the STI plan applicable to Executive Directors is:

Performance Measures	<p>Distributable Earnings Per Security (DEPS) for FY2019.</p> <p>Non-financial Key Performance Indicators (<b>KPI's</b>) set by the RNC</p> <p>In assessing performance, the Board has discretion (acting reasonably) to include or exclude any items from its calculations.</p>
Measurement Period	Propertylink's 2019 financial year
STI Gateway	95% of Board approved forecast recurring DEPS must be achieved before Executive Directors are eligible to receive any STI award.
STI components	<ul style="list-style-type: none"> <li>• A maximum of 15% of Fixed Remuneration may be awarded based on assessed performance against set non-financial KPIs</li> <li>• A maximum of 45% of Fixed Remuneration may be awarded based on achieving 95-100% of Board approved forecast recurring DEPS, measured against DEPS reported in the FY2019 Annual Report.</li> <li>• A maximum of 60% of Fixed Remuneration may be awarded based on achieving 100-105% of Board approved forecast recurring DEPS, measured against DEPS reported in the FY2019 Annual Report</li> </ul>
Deferral Program	<p>If an Executive Director becomes eligible to receive an STI award, 50% of the total STI granted is payable immediately in cash, and 50% is granted as Deferred Restricted Securities awarded under the Employee Incentive Plan, with vesting to occur in August 2020.</p> <p>The Executive Directors are entitled to receive dividends/distributions and vote any Deferred Restricted Securities that are awarded to them.</p>
Calculation of Deferred Restricted Securities to be awarded	The number of STI Deferred Restricted Securities to be awarded is determined by dividing the deferred value of STI awards by Propertylink's volume weighted average price (VWAP) for the 30 trading days leading up to 30 June 2019.

## Approval sought for deferred Restricted Securities STI

Stuart Dawes and Stephen Day may, depending on performance achieved in FY2019, be awarded deferred Restricted Securities that have a face value up to 60% of their FY2019 fixed remuneration. The number of deferred Restricted Securities to be awarded will not be known until the completion of the FY2019 Financial Statements, and an associated assessment of non-financial performance. The maximum face value used to calculate the number of deferred Restricted Securities that may, subject to assessed FY2019 performance, be issued to the Executive Directors is:

- Stuart Dawes \$375,000
- Stephen Day \$198,450

## Long Term Incentives

The purpose of the LTI plan is to provide an annual grant of equity-based incentives to eligible Executives in the interest of rewarding for sustainable company outperformance that will lead to superior returns for securityholders over the long term. Further, the LTI plan is also a retention mechanism that maintains a stable and effective team of performance focused Executives.

A summary of the key features of the LTI plan applicable to Executive Directors is:

Performance Measures	<p>Relative Total Securityholder Return (<b>Relative TSR</b>):</p> <ul style="list-style-type: none"> <li>• 50% of the LTI award</li> <li>• Based on Propertylink's TSR as ranked against the TSR of the members of S&amp;P/ASX 300 A-REIT index at 30 June 2018</li> </ul> <p>The Board has the discretion to reasonably adjust the above comparator group to take into account events including, but not limited to, delistings, takeovers, mergers or de-mergers that might occur during the performance period.</p> <p>DEPS:</p> <ul style="list-style-type: none"> <li>• 50% of the LTI award</li> <li>• Measured on the compound annual growth rate (<b>CAGR</b>) in recurring DEPS</li> </ul> <p>DEPS is applied under the LTI performance criteria as it is intended to incentivise the sustainability of recurring earnings performance over the long term. This is in contrast to the DEPS measure under the STI plan that measures performance against the annual forecast.</p> <p>When testing the performance conditions, the Board has the discretion (acting reasonably) to include or exclude any items from its calculations and can make adjustments for abnormal or unusual profit items it considers appropriate.</p>										
Vesting Period	Relative TSR & DEPS: 3 years from 1 July 2018 to 30 June 2021										
Vesting Conditions	<p>Relative TSR:</p> <p>0% vests at below 50th percentile against S&amp;P/ASX 300 A-REIT index, 100% vests at 75th percentile, with pro-rata vesting between the two points.</p> <p>DEPS:</p> <table> <tr> <th>CAGR in DEPS</th><th>% of Rights in DEPS that vests</th></tr> <tr> <td>less than 4%</td><td>None</td></tr> <tr> <td>4% (performance threshold)</td><td>50%</td></tr> <tr> <td>Between 4% and 6.5%</td><td>50% + 2% for each additional 0.1% growth above 4%</td></tr> <tr> <td>Above 6.5%</td><td>100%</td></tr> </table>	CAGR in DEPS	% of Rights in DEPS that vests	less than 4%	None	4% (performance threshold)	50%	Between 4% and 6.5%	50% + 2% for each additional 0.1% growth above 4%	Above 6.5%	100%
CAGR in DEPS	% of Rights in DEPS that vests										
less than 4%	None										
4% (performance threshold)	50%										
Between 4% and 6.5%	50% + 2% for each additional 0.1% growth above 4%										
Above 6.5%	100%										
Performance Rights	<p>The number of rights granted under the LTI plan was determined by dividing the face value (set out below) by Propertylink's VWAP of \$1.0584 per security for the 30 trading days prior to 30 June 2018.</p> <p>Performance Rights are rights to receive fully paid Propertylink Group securities or at the discretion of the Board, cash with an equivalent value, upon vesting.</p>										
Cessation of Employment	<p>In the event that an Executive KMP resigns or ceases to be employed in circumstances justifying summary dismissal, the Performance Rights will lapse. In circumstances where employment ceases for other reasons, a pro-rata portion of unvested Performance Rights remain on foot and will be subject to the original performance conditions.</p> <p>The Board retains the discretion (acting reasonably) to determine an alternative treatment.</p>										

## EXPLANATORY NOTES (continued)

Treatment of Dividends/ Distributions	There are no rights to dividends or distributions unless and until the Performance Rights vest and stapled securities are allocated to the Executive Directors.
Change in Control Provisions	The Board retains its discretion over the treatment of unvested LTI grants in the event of a change in control.

### Approval sought for Performance Rights LTI

Approval is sought to grant FY2019 Performance Rights to Stuart Dawes and Stephen Day that have a face value of 100% and 75% respectively of their FY2019 fixed remuneration. The number of Performance Rights proposed to be issued are:

- Stuart Dawes 590,514
- Stephen Day 234,375

### Additional information provided in accordance with the ASX Listing Rules

- Stuart Dawes and Stephen Day are the only Directors (or their associates) entitled to participate in the STI and LTI Plans.
- Performance Rights and Deferred Restricted Securities are granted for no consideration as part of the Executive Directors' remuneration and the Executive Directors are not required to make any payment at the time of vesting.
- In accordance with the securityholder approval at the Propertylink Group 2018 Annual General Meeting, Stuart Dawes received 369,080 Performance Rights and 389,748 Deferred Restricted Securities at no cost to him and Stephen Day received 227,870 Performance Rights and 372,033 Deferred Restricted Securities at no cost to him.
- No loans are provided to the Executive Directors in relation to the plans.
- If securityholder approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

A voting exclusion statement applies to items 5 and 6 as set out in the Notice of Meeting.

### Recommendation

The Directors (with Mr Dawes abstaining in relation to Item 5 and Mr Day abstaining in relation to Item 6) recommend that securityholders vote in favour of Items 5 and 6.

## ITEM 7: RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

Securityholder approval is being sought to renew the proportional takeover provisions currently included in Rule 8 of the PHL Constitution and Clause 20 of the PT and PAIP Constitutions in their current form. A copy of the PHL, PT and PAIP Constitutions (together, the **Constitutions**) is available on the Propertylink Group website at <https://propertylink.com.au/about/corporate-governance/>.

The proportional takeover provisions will cease to have effect three years after being adopted (that is, in July 2019), unless they are renewed by way of securityholder approval. If renewed, Rule 8 of the PHL Constitution and Clause 20 of the PT and PAIP Constitutions will continue to operate for a period of three years from the date of the Meeting.

The Corporations Act requires the following information to be provided to Propertylink securityholders when they are considering the renewal of proportional takeover provisions in the Constitutions.

### Why do we need the proportional takeover approval provisions?

In a proportional takeover bid, the bidder offers to buy a proportion only of each securityholder's shares or units in the target company or target trust. This means that control of the company or trust may pass without securityholders having the chance to sell all their shares or units (as applicable) to the bidder. The bidder may take control of the company or trust without paying an adequate amount for gaining control.

To deal with this possibility, a company or trust may provide in its constitution that if a proportional takeover bid is made for shares in the company or units in the trust, securityholders must vote on whether to accept or reject the offer and that decision will be binding on all the securityholders.

The benefit of the provision is that securityholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

### **What is the effect of the proportional takeover approval provisions?**

If a proportional takeover bid is made, the directors must ensure that securityholders vote on a resolution to approve the bid more than 14 days before the bid period closes. The vote is decided on a simple majority.

Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, but the bidder and its associates are not allowed to vote. If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the company's or trust's constitution.

The directors or responsible entity (as applicable) will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for 3 years after the date they are adopted or renewed. The provisions may be renewed for a further three year period by special resolution passed by securityholders.

### **No person to acquire or increase its substantial interest**

At the date this statement was prepared, no Director is aware of a proposal by a person to acquire, or to increase, a substantial interest in PHL, PT or PAIP other than in the context of the non-binding, indicative and conditional takeover proposal from ESR Real Estate (Australia) Pty Ltd that was announced on 21 September 2018 (**ESR Proposal**). The ESR Proposal has not impacted on the Directors' decision to propose this resolution.

### **Potential advantages and disadvantages**

The Directors consider that the proportional takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The Directors also consider that there have been no advantages or disadvantages for either the Directors or securityholders during the period while the current proportional takeover provisions have been in effect.

The potential **advantages** of the proportional takeover approval provisions for Propertylink securityholders are:

- securityholders will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help securityholders avoid being locked in as a minority;
- increase in the bargaining power of securityholders which may ensure that any partial offer is adequately priced;
- the provisions will ensure that all securityholders have an opportunity to review a proportional takeover proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of securityholders; and
- knowing the view of the majority of securityholders may help each individual securityholder assess the likely outcome of the proportional takeover bid and to decide whether to accept or reject that offer.

The potential disadvantages for Propertylink securityholders include:

- proportional takeover bids may be discouraged;
- securityholders may lose an opportunity of selling some of their securities at a premium;
- the chance of a proportional takeover bid being successful may be reduced; and
- they may reduce any speculative element in the market price of the securities arising from the possibility of a takeover offer being made.

The Directors consider that the potential advantages for securityholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, securityholders as a whole are able to decide whether or not a proportional takeover bid is successful.

### **Recommendation**

The Directors recommend that securityholders vote in favour of Item 7.

---

## CORPORATE DIRECTORY

### PROPERTYLINK

Propertylink (Holdings) Limited (ABN 59 092 684 798)

Propertylink Investment Management Ltd (ABN 71 36 865 417) (AFSL 338189) as the responsible entity for Propertylink Trust (ARSN 613 032 750) and Propertylink Australian Industrial Partnership (ARSN 613 032 812)

### REGISTERED OFFICE

Level 29, 20 Bond Street  
Sydney NSW 2000  
Telephone: +61 2 9186 4700  
Facsimile: +61 2 9186 4799  
[www.propertylink.com.au](http://www.propertylink.com.au)

### COMPANY SECRETARY

Rebekah Hourigan  
Telephone: +61 2 9186 4700  
Facsimile: +61 2 9186 4799  
Email: [rhourigan@propertylink.com.au](mailto:rhourigan@propertylink.com.au)

### SHARE REGISTRY

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street,  
Sydney NSW 2000  
GPO Box 242  
Melbourne Victoria 3001  
Telephone: 1300 850 505  
Facsimile: 1800 783 447









Comprising  
Propertylink (Holdings) Limited (ACN 092 684 798) and  
Propertylink Investment Management Limited (ACN 136 865 417; AFSL No. 338189)  
(as responsible entity for Propertylink Trust (ARSN 613 032 750) and Propertylink  
Australian Industrial Partnership (ARSN 613 032 812)) (together 'Propertylink')

PLG

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 9999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10am (AEDT) on Wednesday, 28 November 2018.**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on an item of business in accordance with your voting directions, the Chairman of the Meeting will become your proxy in respect of that item (to the extent permitted by law).

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the Meetings and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of Propertylink Group.**

#### Voting restrictions for members of the key management personnel (KMP):

Please note that if you appoint a member of the KMP or one of their closely related parties as your proxy, they will not be able to vote your proxy on Items 3, 4, 5 and 6, unless you direct them how to vote by marking a voting box in Step 2 or you appoint the Chairman of the Meeting as your proxy. If the Chairman of the Meeting is or becomes your proxy by default, but you do not mark a voting box for Items 3, 4, 5 or 6, then by completing and returning the Proxy Form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy on the relevant Item as he thinks fit, even though the resolution is connected with the remuneration of the KMP.

#### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

#### Attending the Meetings

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

Samples/000001/000001/112

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Propertylink (Holdings) Limited, Propertylink Trust and Propertylink Australian Industrial Partnership (Propertylink Group) hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the 2018 Annual General Meeting of Propertylink (Holdings) Limited and the General Meetings of Propertylink Trust and Propertylink Australian Industrial Partnership (**the Meeting**) to be held at Radisson Blu, 27 O'Connell Street, Sydney NSW 2000, on Friday, 30 November 2018 at 10am (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), by submitting this form I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4, 5 and 6 as the Chairman sees fit (except where I/we have indicated a different voting intention below) even though Items 3, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business

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

	For	Against	Abstain
2 Re-election of a Director - Mr Anthony Ryan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Increase in maximum aggregate fees payable to Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Allocations of Performance Rights and Deferred Restricted Securities to Stuart Dawes, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Allocations of Performance Rights and Deferred Restricted Securities to Stephen Day, Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Renewal of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /