



## Notice of Annual General Meeting and Explanatory Memorandum

### **GARDA Property Group** (ASX code: GDF)

comprising:

**GARDA Holdings Limited**  
ACN 636 329 774

and

**GARDA Capital Limited**  
ACN 095 039 366

as responsible entity for  
**GARDA Diversified Property Fund**  
ARSN 104 391 273

Date	Wednesday 18 November 2020
Time	10:00 am (AEST)
Location	The Theatre Morgans Financial Limited Level 29, Riverside Centre 123 Eagle Street BRISBANE QLD 4000



## Section A – Notice of Annual General Meeting

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### 1. Notice of Meeting

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Notice is given by GARDA Property Group that the 2020 Annual General Meeting of shareholders of GARDA Holdings Limited and a general meeting of unitholders of GARDA Diversified Property Fund will be concurrently held at The Theatre, Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane, QLD 4000 on **Wednesday 18 November 2020 at 10:00am (AEST)**.

The Explanatory Memorandum at section B, which accompanies and forms part of this Notice of Meeting, describes the matters to be considered at the Annual General Meeting. The Proxy Form also forms part of this Notice.

### 2. Ordinary business

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#### Financial report, Directors' report and Auditor's report

To receive and consider the Annual Report (incorporating the Directors' report and independent Auditor's report) for GARDA Property Group for the financial year ended 30 June 2020.

#### Resolution 1: Election of Director – Mr Paul Leitch

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

*"That Mr. Paul Robert Leitch, a Director appointed as an additional director and retiring from office in accordance with article 11.7 of the Constitution of GARDA Holdings Limited, being eligible, be elected as a Director of the Company."*

#### Resolution 2: Election of Director – Mr Andrew Thornton

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

*"That Mr. Andrew John Thornton, a Director appointed as an additional director and retiring from office in accordance with article 11.7 of the Constitution of GARDA Holdings Limited, being eligible, be elected as a Director of the Company."*

#### Resolution 3: Adoption of Remuneration Report

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

*"That the remuneration report for the financial year ended 30 June 2020 (set out on pages 13 to 21 of the Annual Report) be adopted."*

### 3. Specific business

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#### Resolution 4: Approval of additional 10% placement capacity

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

*"That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Securityholders approve GARDA Property Group having additional capacity to issue Stapled Securities up to an additional 10% of the issued Stapled Securities calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*



## Resolution 5: Acquisition of Stapled Securities by Matthew Madsen under the Plan

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

*"That, under and for the purposes of sections 200B, 200C and 200E of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the issue or transfer to, and acquisition by, Matthew Madsen (or his nominee) of 5,000,000 Securities (and the provision of an associated loan) in accordance with the rules of the Employee Security Plan and on the basis described in the Explanatory Memorandum."*

## 4. General business

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To deal with any other business that may be brought forward in accordance with the Constitution or the Corporations Act.

Please read the whole Notice of Meeting, including the Explanatory Memorandum, as it provides important information on the Annual General Meeting items of business and the Resolutions that you, as a Securityholder, are being asked to vote on.

We have enclosed a Proxy Form which you are encouraged to complete and return. In light of the evolving COVID-19 situation and the Commonwealth and State government restrictions on public gatherings, the Directors strongly encourage all Shareholders to lodge a directed Proxy Form prior to the Meeting. If you wish to submit a Proxy Form, it must be received by no later than **10:00am (AEST) on Monday 16 November 2020**.

By order of the Board

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Lachlan Davidson  
Company Secretary  
GARDA Property Group

19 October 2020



## Section B – Explanatory Memorandum

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### Introduction

The Annual General Meeting referred to in the Notice of Meeting is being held to deal with:

- usual procedural matters;
- the election of two non-executive Directors;
- the approval of an Additional 10% Placement Capacity; and
- the approval of an issue or transfer of Stapled Securities under the Employee Security Plan to Matthew Madsen, with an associated loan.

The purpose of this Explanatory Memorandum is to provide all information to Securityholders which would be material in deciding whether to pass the Resolutions set out in the Notice of Meeting.

### Financial report, Directors' report and Auditor's report

This item is to receive and consider the consolidated Annual Report (incorporating the Directors' Report and independent Auditor's Report) for GARDA Property Group for the financial year ended 30 June 2020, which was made available to Securityholders on 20 August 2020. The Annual Report is also available from GARDA Property Group's website ([www.gardaproperty.com.au](http://www.gardaproperty.com.au)).

A brief overview of the financial and operating performance of GARDA Property Group during the financial year ended 30 June 2020 will be provided during the Annual General Meeting. While the Corporations Act requires reasonable opportunity for these reports to be discussed, neither the Corporations Act nor the Constitution require Securityholders to vote on, approve or adopt these reports. Securityholders will be given opportunity to raise questions about, or to comment on these reports and the management and performance of GARDA Property Group. The Auditor will also be present to address questions.

**Note:** No resolution is required for this item of business.

### Resolution 1: Appointment of Director – Mr Paul Leitch

Paul is an independent Director who was appointed to the Board on 20 March 2020. On the same date he was also appointed a member of the Audit and Risk Committee, a member of the Nomination and Remuneration Committee (which he now chairs), and as a director of other members of GARDA Property Group (including GCL). If elected as a Director of the Company, it is intended Paul will continue in these positions.

In accordance with ASX Listing Rule 14.4 and the Constitution of the Company, Paul must stand for election at this AGM. Prior to appointing Paul to the Board, the Company conducted appropriate checks into his background and experience. The Board considers that Paul qualifies as an independent Director.

Paul is an experienced senior executive, board member and advisor with public and private sector organisations. He is the past Chief Operating Officer for QIC, the Queensland-based institutional fund manager. Most recently, he was Leader of the Brisbane Office of the Nous Group, Australia's largest privately-owned management consultancy firm. Paul has a special interest in family-owned and operated companies and is a director of Charles Porter and Sons and advisor to the Hewitt Group. He is also Chair of Pathways to Resilience, a Queensland charitable organisation.

Paul holds a Bachelor of Arts (Music) and post graduate qualifications in education. He is a member of the Australian Institute of Company Directors and the Australian Human Resources Institute.



At the date of this Notice, Paul has a relevant interest in 24,411 Securities.

***The Board (with Mr Leitch abstaining) recommends that Securityholders vote in favour of Resolution 1.***

## **Resolution 2: Appointment of Director – Mr Andrew Thornton**

Andrew is a non-executive Director who was appointed to the Board on 20 March 2020. On the same date he was also appointed a member of the Audit and Risk Committee, a member of the Nomination and Remuneration Committee, and as a director of other members of GARDA Property Group (including GCL). If elected as a Director of the Company, it is intended Andrew will continue in these positions.

In accordance with ASX Listing Rule 14.4 and the Constitution of the Company, Andrew must stand for election at this AGM. Prior to appointing Andrew to the Board, the Company conducted appropriate checks into his background and experience.

Andrew is Joint Managing Director and major shareholder of Great Western Corporation, a private group with interests in commercial and industrial property, general manufacturing, agricultural equipment and investments. He joined Great Western Corporation in 1995 gaining experience in accounting, finance, investment and management before becoming Joint Managing Director in 2010.

Andrew previously served as Treasurer of both the Volvo Truck and Bus Dealer Council and the Daimler Truck Dealer Council. He is currently Company Secretary of HGT Investments Pty Ltd, GARDA Property Group's largest securityholder (holding 15.77% of the total Stapled Securities at the date of this Notice). He is not currently considered to be an independent Director.

Andrew holds a Bachelor of Business and is a member of the Australian Institute of Company Directors.

At the date of this Notice, Andrew has a relevant interest in 1,105,005 Securities.

***The Board (with Mr Thornton abstaining) recommends that Securityholders vote in favour of Resolution 2.***

## **Resolution 3: Adoption of Remuneration Report**

Securityholders are asked to consider adopting the Remuneration Report for the financial year ended 30 June 2020. The Remuneration Report, which contains prescribed information regarding remuneration of key management personnel, is set out on pages 13 to 21 in the Annual Report that was made available to Securityholders on 20 August 2020.

The Remuneration Report:

- explains the structure of and rationale behind the remuneration practices of GARDA Property Group and the link between the remuneration of employees and GARDA Property Group's performance;
- sets out remuneration details for each Director and for other KMP; and
- makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating executives, including executive Directors.

Securityholders should note that some of the items in the Remuneration Report cover the period from the date of Internalisation only, whereas others are for the full financial year.



This Resolution 3 is advisory only and does not bind the Directors or GARDA Property Group. Nevertheless, the Directors will consider the outcome of the vote and comments made by Securityholders on the Remuneration Report when considering future remuneration policies.

Under the Corporations Act, if at least 25% of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, the Company must put to the Securityholders at the second of those AGMs a further resolution (the 'spill resolution') that another Securityholders' meeting (the 'spill meeting') be held within 90 days at which all of the Directors (other than the Managing Director) will cease to hold office immediately before the end of the spill meeting and will stand for re-election.

***As this Resolution 3 relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding this Resolution 3.***

**Note:** There are voting exclusions on this Resolution 3.

## Resolution 4: Approval of additional 10% placement capacity

ASX Listing Rule 7.1 allows an entity to issue a maximum of 15% of its capital in any 12-month period without requiring approval of securityholders (subject to certain adjustments and permitted exceptions). Under ASX Listing Rule 7.1A, an eligible entity may seek approval of holders of its ordinary securities by special resolution at its annual general meeting to issue a further 10% of its issued capital on a non pro-rata basis during a 12 month period following the annual general meeting where approval is obtained (**Additional 10% Placement Capacity**).

GARDA Property Group is an 'eligible entity' and therefore able to seek approval from Securityholders under ASX Listing Rule 7.1A, as it is not included in the S&P/ ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

GARDA Property Group is requesting Securityholders to approve, as a special resolution, the Additional 10% Placement Capacity.

If this Resolution 4 is passed, GARDA Property Group will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without further approval by Securityholders. The exact number of Securities that GARDA Property Group will have capacity to issue under ASX Listing Rule 7.1A (which applies on top of the 15% permitted by ASX Listing Rule 7.1) will be determined in accordance with the following formula prescribed in ASX Listing Rule 7.1A.2:

$(A \times D) - E$
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Where:

- A** is the number of fully paid Stapled Securities on issue at the commencement of the relevant period (which will be 12 months before the issue date or date of agreement to issue):
  - (A) plus the number of fully paid Stapled Securities issued in the relevant period under an exception in ASX Listing Rule 7.2 (other than exception 9, 16 or 17);



- (B) plus the number of fully paid Stapled Securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
    - a. the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
  - (C) plus the number of fully paid Stapled Securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
    - a. the agreement was entered into before the commencement of the relevant period; or
    - b. the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
  - (D) plus the number of any other fully paid Stapled Securities issued in the relevant period with approval under ASX Listing Rule 7.1 or 7.4;
  - (E) plus the number of partly paid Stapled Securities that became fully paid in the relevant period; and
  - (F) less the number of fully paid Stapled Securities cancelled in the relevant period;
- D** is 10%; and
- E** is the number of Stapled Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Securityholders under ASX Listing Rule 7.4.

If Resolution 4 is not passed, GARDA Property Group will not be able to access the additional 10% placement capacity to issue equity securities without Securityholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Securityholder approval set out in ASX Listing Rule 7.1.

## Required information

ASX Listing Rule 7.3A requires the following information to be contained in the Notice. There is additionally a table of advantages and disadvantages on page 11 to assist Securityholders with making their decision.

### **1. Minimum price at which the Stapled Securities may be issued**

In accordance with the ASX Listing Rules, Securities under the Additional 10% Placement Capacity must only be issued for cash consideration which is at least 75% of the volume weighted average market price of Securities calculated over the 15 trading days on which trades were recorded immediately before:

- the date when the price at which the Securities are to be issued is agreed by GARDA Property Group and the recipient of those Securities; or



- if the Securities are not issued within 10 trading days of that date, the actual date the Securities are issued.

## 2. Risk of dilution of economic and voting power

If this Resolution 4 is approved and GARDA Property Group issues Stapled Securities under the Additional 10% Placement Capacity, the economic interest and voting power of existing Securityholders who do not receive Securities under that issue will be diluted. The risks include that:

- the market price for Securities may be significantly lower on the issue date than on the date of the Meeting; and
- Securities may be issued at a price that is at a discount to the market price for those Securities on the date of issue.

ASX Listing Rule 7.3A.4 requires GARDA Property Group to provide a table demonstrating the potential dilution effect based on three different assumed prices of Securities and three different values for Variable "A" in the formula in ASX Listing Rule 7.1A.2.

Table 1 below shows the potential dilution of existing Securityholders on the basis of the current market price for Securities as at 15 October 2020 (being the trading day immediately prior to printing of this Notice) and the current number of Securities for Variable 'A' at the date of this Notice, calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2 and applying the assumptions in the paragraphs below.

Variable "A" is based on the number of Securities GARDA Property Group has on issue. The number of Securities on issue may increase as a result of issues that do not require Securityholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Securityholders' meeting.

The table highlights:

- the voting dilution impact where the total number of Securities on issue increases; and
- the economic impact where there are changes in the issue price of Securities.

**Table 1 –Possible dilution of GARDA Property Group Securities**

Variable 'A' in ASX Listing Rule 7.1A.2*	Additional 10% Placement Capacity	Dilution		
		Assuming 50% decrease in issue price \$0.5475	Issue price \$1.095	50% increase in issue price \$1.6425
Current Variable 'A' 227,644,361 Securities	No. of Securities that could be issued (10% voting dilution)	22,764,436	22,764,436	22,764,436
	Funds that could be raised	\$12,463,528	\$24,927,057	\$37,390,586
50% increase in current Variable 'A' 341,466,541 Securities	No. of Securities that could be issued under (10% voting dilution)	34,146,654	34,146,654	34,146,654
	Funds that could be raised	\$18,695,293	\$37,390,586	\$56,085,879
100% increase in current Variable 'A' 455,288,722 Securities	No. of Securities that could be issued under (10% voting dilution)	45,528,872	45,528,872	45,528,872
	Funds that could be raised	\$24,927,057	\$49,854,115	\$74,781,172





The above dilution table has been prepared on the following basis:

- Variable 'A' is calculated in accordance with ASX Listing Rule 7.1A.2 and in GARDA Property Group's case is equal to the number of Securities on issue at the date of this Notice. The table assumes no Securities are issued after the date of this Notice;
- GARDA Property Group issues the maximum number of Securities available under the Additional 10% Placement Capacity, which results in the full 10% voting dilution referred to in the table;
- any increase in the current Securities on issue increases Variable 'A' to the new number, so the Additional 10% Placement Capacity is based on the higher number of Securities on issue at that time;
- the table shows only the effect of issues of Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1 or another permitted issue like under a rights offer;
- no options for Securities are issued; and
- the issue price in the table is assumed to be \$1.095, being the market price for Securities at close of trade on 15 October 2020. The actual issue price may be different at the time of issue.

The table does not take into account the circumstances of particular Securityholders. All Securityholders should consider the dilution caused to their own securityholding depending on their own specific circumstances.

Securityholders should also refer to the advantages and disadvantages section at page 11 of this Notice.

### **3. When can Stapled Securities be issued?**

If this Resolution 4 is approved, Securities may be issued under the Additional 10% Placement Capacity up to the first to occur of:

- 12 months after the date of the Meeting (i.e. before 18 November 2021);
- the time and date of the next annual general meeting of GARDA Property Group; or
- the time and date Securityholders approve any transaction under ASX Listing Rules 11.1.2 (a significant change of the nature or scale of the GARDA Property Group's activities) or 11.2 (disposal of the GARDA Property Group's main undertaking).

### **4. Purposes of issues under the Additional 10% Placement Capacity**

All Securities under the Additional 10% Placement Capacity must be issued for cash consideration.

The anticipated primary purpose for issuing Securities under the Additional 10% Placement Capacity would be to raise funds to further GARDA Property Group's objectives and business strategy as disclosed in the Annual Report and accompanying results presentation.

While GARDA Property Group does not have any immediate plans to issue Securities under the Additional 10% Placement Capacity, examples of purposes for which Securities might be issued may include:

- to further the business plan and objectives of GARDA Property Group;
- raising capital to strengthen the balance sheet;
- providing capital to facilitate further debt capital transactions (i.e. loans to third parties);
- attracting new institutional investors and diversifying the composition of the security register;



- undertaking mergers and acquisitions activity to enhance or expand business lines, and/or increase funds under management; and
- undertaking joint ventures.

## 5. Allocation policy for Additional 10% Placement Capacity

GARDA Property Group's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Capacity.

The identity of allottees of the Securities would be determined on a case-by-case basis, having regard to factors including but not limited to:

- the purpose of the issue;
- alternative methods of raising funds which might be available to GARDA Property Group at that time, including an entitlement issue or other offer where existing Securityholders may participate;
- the effect of the issue on the control of GARDA Property Group;
- the circumstances of GARDA Property Group, including its financial position and available investment opportunities;
- prevailing market conditions; and
- any advice from corporate, financial or broking advisers.

GARDA Property Group will comply with the disclosure obligations under Listing Rule 7.1A.4 on the issue of any Securities under the Additional 10% Placement Capacity.

## 6. Previous issues under ASX Listing Rule 7.1A

GARDA Property Group has not previously obtained Securityholder approval under ASX Listing Rule 7.1A, following the Internalisation, and has not issued or agreed to issue any Securities under ASX Listing Rule 7.1A in the 12 months preceding the date of the Meeting.



## What does the Additional 10% Placement Capacity actually mean for Securityholders?

GARDA Property Group provides the following table of advantages and disadvantages in order to assist Securityholders with their decision on this Resolution 4:

Advantages / benefits	Disadvantages / risks
<p>If Resolution 4 is passed, GARDA Property Group may issue an additional 10% of equity in the 12-month period following the Meeting without seeking further Securityholder approval. Potential advantages to GARDA Property Group include:</p> <ul style="list-style-type: none"> <li>• providing funding flexibility to move quickly on potential investments;</li> <li>• improving general capital management initiatives and working capital requirements;</li> <li>• allowing for equity to be deployed in GARDA Property Group's real estate lending business; and</li> <li>• potential to attract new capital to GARDA Property Group and further diversify the GARDA Property Group register.</li> </ul>	<p>If GARDA Property Group does use the Additional 10% Placement Capacity (which it would be able to do, should Securityholders approve Resolution 4), potential disadvantages include:</p> <ul style="list-style-type: none"> <li>• the voting power of Securityholders who do not participate will be diluted;</li> <li>• the value of Securityholders' Securities may be impacted by the price at which any new Securities are issued;</li> <li>• the market price for Securities may be significantly lower on the issue date than on the date of the passing of Resolution 4; and</li> <li>• the Securities may be issued at a price that is at a discount to the market price for those Securities on the issue date.</li> </ul>

The Directors are of the opinion that the potential disadvantages and risks are substantially outweighed by the potential advantages and benefits associated with GARDA Property Group increasing its placement capacity, and accordingly considers that this Resolution 4 is in the best interests of all Securityholders. This is particularly the case given the general market uncertainty which subsists around COVID-19, and its direct and indirect effects on the real estate investment trust (REIT) sector and general markets in which GARDA Property Group operates. However, Securityholders should consider their individual circumstances and make their own determination as to how to vote on this Resolution 4.

### ***The Board recommends that Securityholders vote in favour of this Resolution 4.***

**Note:** As GARDA Property Group has no present proposal to issue Securities under the Additional 10% Placement Capacity, there are no voting exclusions under the ASX Listing Rules on Resolution 4.

## Resolution 5: Acquisition of Stapled Securities by Matthew Madsen under the Plan

### **Background**

GARDA Property Group is proposing to transfer or issue 5,000,000 Securities to Matthew Madsen (or his nominee) under the Employee Security Plan (**Director Allocation**), with an associated loan.

GARDA Property Group received Securityholder approval of the Employee Security Plan at the last annual general meeting held on 6 March 2020. Securityholder approval was also obtained at that meeting for an acquisition of 5,000,000 Securities by Mr Madsen, which occurred on 16 April 2020, as announced to the ASX on that day.

The quantum of this Director Allocation has been determined by the Board having regard to the role of Mr Madsen, his overall remuneration package and the recommendation of the Nomination and Remuneration Committee. Mr Madsen has agreed to forgo any short-term incentive for the financial year ending 30 June 2021, if the Director Allocation is made, which has a potential immediate cash advantage to GARDA Property Group. Further details regarding the proposal are set out below.



If Resolution 5 is approved, GARDA Property Group intends to proceed with the Director Allocation by transferring 'treasury stock' to Mr Madsen (or his nominee), which will be held subject to the Plan.<sup>1</sup>

## Requirements under the ASX Listing Rules

ASX Listing Rule 10.14 provides that a listed entity must not, except with the approval of its Securityholders, permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the listed entity;
- an associate of a director of the listed entity; or
- a person whose relationship with the listed entity or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its securityholders.

Matthew Madsen is the Managing Director and Executive Chair. Accordingly, the Director Allocation falls within ASX Listing Rule 10.14.1 (or, if a nomination is made, Listing Rule 10.14.2), and therefore requires the approval of Securityholders under ASX Listing Rule 10.14.

While the Plan was approved by Securityholders for the purposes of ASX Listing Rule 7.2 (Exception 13) on 6 March 2020, GARDA Property Group will not rely on this exception for the Director Allocation (see below under 'Effect of Resolution 5'). There are 1,160,000 Plan Securities which remain under that existing authorisation and can still be issued before 6 March 2023 to eligible persons under ASX Listing Rule 7.2 (Exception 13).

## Requirements under the Corporations Act

### *Approvals sought at the Meeting*

GARDA Property Group is seeking approval under section 200B, 200C and 200E of the Corporations Act.

Under sections 200B and 200E of the Corporations Act, the Company may only give a person a "benefit" (as defined in the Corporations Act) in connection with their ceasing to hold a "managerial or executive office" (as defined in the Corporations Act) if the giving of the benefit has been approved by securityholders or an exemption applies. One permissible exemption is where the aggregate benefits do not exceed one year's average base salary.

Separately, under section 200C of the Corporations Act, a company may be restricted from giving a person a benefit in connection with the transfer of the whole or any part of the undertaking or property of the company unless it is approved by securityholders.

The term "benefit" in Part 2D.2 has wide operation and would include the accelerated vesting and/or automatic vesting of Stapled Securities upon the occurrence of a "Control Event" or if the Board otherwise exercises a discretion in accordance with the Plan (which may be in connection with a person's retirement from office). As described in Attachment A, a Control Event includes (among other things) a change in the nature or scale of GARDA Property Group or other change of control, which may occur in connection with a transfer of the whole or any part of the undertaking or property of the Company.

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<sup>1</sup> GARDA Property Group (through GARDA Capital Trust) holds certain Stapled Securities as 'treasury stock' resulting from the Internalisation. GARDA Property Group has previously disclosed its intention to dispose of these Stapled Securities in the medium term.



If Resolution 5 is passed, GARDA Property Group proposes to issue or transfer Securities under the Plan to Matthew Madsen (or his nominee), who holds a managerial or executive office.

Securityholder approval is sought under section 200E of the Corporations Act to specifically allow the provision of benefits under the Plan to Mr Madsen (or his nominee) that may otherwise be restricted by section 200B or 200C of the Corporations Act.

Section 200E of the Corporations Act requires that, when seeking approval for the purposes of section 200B and/or 200C, details of any proposed benefit (including the value of the benefit) must be disclosed, together with any matter, event or circumstance that will, or is likely to affect the calculation of the amount.

The precise value of any potential benefits cannot be ascertained at the present time. However, the value of the benefit will be based on the number of Securities that may vest early and the market value of the Securities at the time of vesting, less the amount of any loan that must be repaid.

The benefit to be provided in connection with a "Control Event" would arise automatically upon the occurrence of that event, unless otherwise determined by the Board. In connection with a person ceasing to hold a "managerial or executive office", the Board may determine in its discretion whether early vesting of some or all of the relevant Securities will be permitted based on matters it considers relevant, including the circumstances of termination, status of the vesting conditions and Mr Madsen's period of service.

#### *Previous approvals in respect of the Employee Security Plan*

The Plan was approved by Securityholders at the annual general meeting on 6 March 2020, including for the purposes of sections 257B(1), 259B(2) and 260C(4) of the Corporations Act. As set out in the notice for that meeting, the approval of the Plan by Securityholders at a general meeting:

- under section 257B(1) of the Corporations Act, enables the Company to undertake a buy-back of shares in the Company issued under the Plan (as components of Stapled Securities) using the simpler "employee share scheme buy-back" procedure under the Corporations Act;
- under section 259B(2) of the Corporations Act, provides an exemption enabling the Company to take security over its own shares (as components of Stapled Securities). This would generally be prohibited under section 259B(1) of the Corporations Act; and
- under section 260C(4) of the Corporations Act, provides an exemption allowing the Company to financially assist a person to acquire shares in the Company.

The Plan itself was also approved under sections 200B, 200C and 200E of the Corporations Act. These provisions are described further in the section above.

#### *Related party benefits*

The Board has formed the view that Securityholder approval under Chapter 2E and Chapter 2E (as modified by Part 5C.7) of the Corporations Act is not required because the transfer or issue of Securities to Mr Madsen reflects the provision of reasonable remuneration for the purposes of section 211 of the Corporations Act.

#### **Effect of Resolution 5**

If Resolution 5 is passed, GARDA Property Group will be able to proceed with the Director Allocation and, by agreement, Mr Madsen will forgo any short-term incentive in respect of the financial year ending 30 June 2021 (with usual arrangements to resume the following year). Mr Madsen could also in certain

circumstances be entitled to receive benefits that may otherwise be restricted by section 200B or 200C of the Corporations Act.

If Resolution 5 is not passed, GARDA Property Group will not be able to proceed with the Director Allocation. In accordance with his current employment terms Mr Madsen may receive short-term incentives for his performance.

As specific approval is being obtained for the Director Allocation under ASX Listing Rule 10.14, and also given the proposal to satisfy the Director Allocation by transferring 'treasury stock' to Mr Madsen (or his nominee) (rather than issuing new Securities), the Director Allocation will not affect GARDA Property Group's placement capacity, or reduce the remaining pool of Securities that may be issued by GARDA Property Group under the Plan under Listing Rule 7.2 (Exception 13).

## Summary of terms of the proposed issue or transfer under the Plan

The general terms of the Plan, as approved by Securityholders on 6 March 2020, are set out in Attachment A.

Subject to approval of Resolution 5, the terms of Mr Madsen's participation in the Plan will be as set out in Attachment A, with the following specific terms:

- **Vesting:** The Securities issued or transferred to Mr Madsen (or his nominee) under the Plan will generally not 'vest' (and accordingly, while unvested, Mr Madsen (or his nominee) cannot voluntarily dispose of the Securities, repay the principal loan and/or obtain an economic benefit from the Securities upon disposal) until a minimum period of service has been achieved after the date the Securities are issued or transferred under the Plan. Except in certain circumstances determined by the Board (including in relation to events affecting the ownership and control of GARDA Property Group), the Securities issued or transferred to Mr Madsen (or his nominee) will vest three years after their date of issue or transfer; and
- **Loan:** The loan provided to Mr Madsen (or his nominee) to fund the acquisition of the Securities under the Plan will:
  - incur interest at the FBT benchmark rate of interest at the relevant time as set by the Australian Taxation Office;
  - be repayable ten years after the issue of the relevant Stapled Securities under the Plan, unless otherwise agreed by the GARDA Property Group or a trigger occurs under the Plan which requires earlier repayment;
  - be provided on a limited recourse basis, meaning that the GARDA Property Group will only have recourse to the Securities issued under the Plan and any funds received from the sale of such Securities; and
  - otherwise be consistent with the loan terms described in Attachment A.

## Required information under ASX Listing 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following specific information is provided in relation to Resolution 5:

- the Stapled Securities are proposed to be issued or transferred to Mr Madsen, a Director who is covered by ASX Listing Rules 10.14.1, or his controlled nominee covered by ASX Listing Rule 10.14.2;
- the number of Stapled Securities that would be acquired by Mr Madsen (or his nominee) under this approval is 5,000,000;



- Mr Madsen is engaged under an executive services agreement that provides an annual base salary of \$695,000 plus superannuation and carpark benefits<sup>2</sup>;
- Mr Madsen<sup>3</sup> currently holds a total of 5,960,000 Securities under the Plan with an average acquisition price of \$0.94 per Security.<sup>4</sup> These Securities were acquired as follows:
  - 960,000 Securities issued under the Internalisation, which effectively replaced securities issued under a previous employee security plan of GCM. These Securities were originally issued for a total of \$600,000 (which exceeded the market value of the GCM securities at the relevant time), funded through an associated loan on terms equivalent to the Plan, and 'vest' on 13 November 2020, being the third anniversary of the issue of the original GCM securities and approximately a week prior to the date of the Meeting; and
  - 5,000,000 Securities as approved by Securityholders at the last annual general meeting on 6 March 2020, which were acquired on 16 April 2020. These Securities were acquired for a total of \$5,000,000 (which exceeded the trading price of GARDA Property Group stapled securities at the relevant time), funded through an associated loan, and 'vest' on 16 April 2023, being the third anniversary of their acquisition.

Mr Madsen may benefit following vesting of either tranche of Plan Securities based on the uplift in value of those Securities;

- the price payable for the transfer or issue of Stapled Securities contemplated in Resolution 5 will be the "Market Price of a Stapled Security" as defined in the constitution of the Fund (which is generally the volume weighted average price (VWAP) for the 10 trading days ending on the date immediately prior to the date when the market value is determined). By way of example only, if issued on 15 October 2020 (being the trading day immediately prior to printing of this Notice), the VWAP price would be \$1.072 per Security;
- the Securities are proposed to be acquired within 10 business days of the Meeting, and in any event will not be acquired later than three years after the Meeting;
- the Securities will be acquired on the terms referenced above (refer to 'Summary of terms of the proposed issue or transfer under the Plan');
- GARDA Property Group will provide a loan to Mr Madsen (or his nominee) in an amount equal to the price payable per Security multiplied by the number of Securities to be acquired by Mr Madsen (or his nominee) under the Plan. The material terms of the loan are set out above (refer to 'Summary of terms of the proposed issue or transfer under the Plan'); and
- GARDA Property Group advises that:
  - details of any Securities issued under the Plan will be published in its annual report relating to the period in which they were issued, along with a statement that the approval for the issue was obtained under ASX Listing Rule 10.14; and
  - any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after this Resolution is approved, and who were not named in this Notice, will not participate until approval is obtained under that Listing Rule.

***The Board (with Mr Madsen abstaining) recommends that Securityholders vote in favour of this Resolution 5.***

**Note:** There are voting exclusions on this Resolution 5.

<sup>2</sup> Non-cash benefit valued at \$7,045 in the financial year ended 30 June 2020.

<sup>3</sup> Mr Madsen holds these existing employee incentive plan Securities through a nominee entity, Madsen Nominees Pty Ltd as trustee for the Madsen Family Trust.

<sup>4</sup> The average acquisition price has been calculated as the total number of Stapled Securities subject to the Employee Security Plan divided by the aggregate issue price. In respect of the 960,000 Securities issued under the Internalisation, the original price for the GCM securities has been used.





## Voting Exclusion Statements

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### Resolution 3: Adoption of Remuneration Report

In accordance with the Corporations Act GARDA Property Group will disregard any votes cast on Resolution 3:

- a. in any capacity by or on behalf of the key management personnel (**KMP**) (whose remuneration details are contained in the Remuneration Report) or their closely related parties; or
- b. as a Proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties.

However, this does not apply to a vote cast on this Resolution 3 by KMP or their closely related parties if:

- a. the vote is cast by a person as a Proxy for a person who is entitled to vote on the Resolution, in accordance with the directions given to the Proxy to vote on the Resolution in that way; or
- b. the voter is the Chairman of the meeting and the appointment of the Chairman as Proxy does not specify which way the Proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the Proxy even if the Resolution is connected directly or indirectly with the remuneration of the KMP.

If you intend to appoint a member of the KMP (such as one of the Directors) as your Proxy, please ensure that you direct them how to vote on Resolution 3. If you intend to appoint the Chair as your Proxy, you can direct them how to vote on this Resolution 3 or you lodge an undirected Proxy, in which case you will be expressly authorising the Chair to vote your undirected Proxy on this Resolution even though it is connected, directly or indirectly, with remuneration of the KMP.

### Resolution 4: Approval of Additional 10% Placement Capacity

As GARDA Property Group has no present proposal to issue Securities under the Additional 10% Placement Capacity, there are no voting exclusions under the ASX Listing Rules on Resolution 4.

### Resolution 5: Acquisition of Stapled Securities by Matthew Madsen under the Plan

In accordance with the ASX Listing Rules, GARDA Property Group will disregard any votes cast in favour of Resolution 5 by a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Security Plan, or any associate of those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- a. a person as Proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the Proxy or attorney to vote on the Resolution in that way; or
- 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:
  - i. 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



- ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

For the purposes of section 200E of the Corporations Act and all other purposes, a vote on Resolution 5 must not be cast (in any capacity) by or on behalf of Matthew Madsen or any of his associates. However this voting exclusion does not apply if the vote is cast by a person acting as Proxy for a person other than Matthew Madsen (or any of his associates), in accordance with directions given to the Proxy to vote on the Resolution in that way.

In addition, in accordance with the Corporations Act, GARDA Property Group will disregard any votes cast on Resolution 5 as a Proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties, except if:

- a. the vote is cast by a person as a Proxy for a person who is entitled to vote on the Resolution, in accordance with the directions given to the Proxy to vote on the Resolution in that way; or
- b. the voter is the Chairman and the appointment of the Chairman as Proxy does not specify which way the Proxy is to vote on the Resolution and expressly authorises the Chairman to exercise the Proxy even if the Resolution is connected directly or indirectly with the remuneration of the KMP.

If you intend to appoint a member of the KMP (such as one of the Directors) as your Proxy, please ensure that you direct them how to vote on Resolution 5. If you intend to appoint the Chair as your Proxy, you can direct them how to vote on this Resolution 5 or you lodge an undirected Proxy, in which case you will be expressly authorising the Chair to vote your undirected Proxy on this Resolution even though it is connected, directly or indirectly, with remuneration of the KMP.

## **Responsible entity and associates not to vote if interested in Resolution**

In addition, section 253E of the Corporations Act provides that a responsible entity of a managed investment scheme and its associates are not entitled to vote their interest on any resolutions of the Fund if they have an interest in the resolution other than as a member, unless the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

With reference to this provision, and for good governance, GARDA Property Group has decided that the "treasury stock" held by GARDA Capital Trust will not be voted on any Resolution.



## General Explanatory Notes

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### 1. Voting at the Meeting

A Securityholder who is entitled to vote may vote on the items of business to be considered at the Meeting either in person at the Meeting or by completing and returning the Proxy Form enclosed with this Notice of Meeting.

If you attend the Meeting, you will need to register at the registration desk upon arrival on the day of the Meeting. The registration desk will be open from 9:45am AEST.

### 2. Voting on a show of hands

On a show of hands, each Securityholder present in person or by attorney or by Proxy or by an authorised representative at the Meeting shall have one vote unless more than one attorney, Proxy or authorised representative is entitled to exercise votes of the Securityholder at the Meeting in which case, on a show of hands, only one vote will count for that Securityholder (notwithstanding the number appointed).

### 3. Voting on a poll

A poll will be demanded on all Resolutions.

On a poll, every Securityholder present in person or by attorney, Proxy or authorised representative shall have:

- a. in the case of a resolution of the Company, one vote for each share held in the Company; and
- b. in the case of a resolution of the Fund, one vote for each \$1.00 of the value of the units held in the Fund.

### 4. Voting by Proxy

A Securityholder who is entitled to vote at the Meeting has the right to appoint:

- a. one Proxy if the Securityholder is only entitled to one vote; or
- b. one or two Proxies if the Securityholder is entitled to more than one vote.

Where the Securityholder appoints two Proxies, the appointment may specify the proportion or number of votes that each Proxy may exercise. If the appointment does not specify a proportion or number, each Proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.

A Proxy may be an individual or a body corporate and does not need to be a Securityholder. A body corporate appointed as a Proxy may then nominate an individual to exercise its powers at the Meeting (see below).

Where a Securityholder nominates the Chair of the Meeting as their Proxy but does not indicate their voting intention, the Chair will (subject to law) vote the Proxy **in favour** of the Resolution.

The Proxy Form and the original power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by Link Market Services (the registry for GARDA Property Group), by no later than **10:00am AEST on Monday 16 November 2020**.



The completed Proxy Form may be lodged:

By mail:	In person:	By Facsimile:
GARDA Property Group C/- Link Market Services Locked Bag A14 Sydney South NSW 1235	Link Market Services Level 12 680 George Street Sydney NSW 2000	+ 61 2 9287 0309

Or **online** at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) using the directions on the back of the Proxy Form.

## 5. Corporate representatives

A body corporate which is a Securityholder, or which has been appointed as a Proxy, is entitled to appoint any person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements of sections 250D (for the meeting of the Company) and 253B (for the meeting of the Fund) of the Corporations Act. The representative must bring to the Meeting a properly executed 'Certificate of Appointment of Corporate Representative' or other document confirming its authority to act as the company's representative. Details on how to obtain one are on the reverse of the Proxy Form.

## 6. Resolution requirements

The consideration of the Annual Report and financial statements does not require a resolution.

Resolutions 1, 2 and 5 are ordinary resolutions, and will be passed if more than 50 per cent of the votes cast by Securityholders (in person, by attorney or by Proxy) entitled to vote on the Resolutions are in favour of the Resolution.

Resolution 3 will also be conducted as an ordinary resolution, but is advisory only and does not bind the Directors or GARDA Property Group.

Resolution 4 is a special resolution, and will be passed if at least 75 per cent of the votes cast by Securityholders (in person, by attorney or by Proxy) entitled to vote on the Resolution are in favour of the Resolution.

There are certain voting exclusions, which are detailed in the Explanatory Memorandum.

## 7. Chair

In accordance with section 252S(1) of the Corporations Act and the Constitutions, the responsible entity of the Fund and the Directors have appointed Matthew Madsen as Chair of the Meeting.<sup>5</sup>

<sup>5</sup> Or, if Mr Madsen is unavailable, another Director appointed by GCL. For good governance, Mr Leitch (as Chair of the Nomination and Remuneration Committee) or another Independent Director will chair the Meeting as it considers Resolution 5.



## 8. Voting entitlements

In accordance with the Corporations Act, the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Securityholders as at **7.00pm Sydney time on Monday 16 November 2020**. Transfers of Stapled Securities registered after that time will be disregarded in determining entitlements to vote at the Meeting.

If more than one joint holder of Stapled Securities is present at the Meeting (whether personally, by Proxy, attorney or authorised representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

## 9. Questions and comments by Securityholders at the Meeting

A reasonable opportunity will be given to Securityholders, as a whole, to ask questions or make comments on the Annual Report and financial statements at the Meeting and to ask questions about or make comments on the management of the GARDA Property Group.

Similarly, a reasonable opportunity will be given to Securityholders, as a whole, to ask the current external Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Auditor's report;
- c. the accounting policies adopted by GARDA Holdings Limited in relation to the preparation of its financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

Securityholders may also submit a written question to the external Auditor (via GARDA Holdings Limited) if the question is relevant to:

- a. the content of the Auditor's report; or
- b. the conduct of its audit of the Annual Report for the financial year ended 30 June 2020.

A list of those relevant written questions to the external Auditor will be made available to Securityholders attending the Meeting. The Auditor will either answer the questions at the Meeting or table written answers 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 relevant questions for the external Auditor to GARDA Property Group (attention: the Company Secretary) at:

our registered office:	GARDA Holdings Limited, Level 21, 12 Creek Street, Brisbane QLD 4000; or
by fax to:	+61 7 3002 5311

no later than **5.00pm AEST on Wednesday 11 November 2020**.



## Glossary

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**Additional 10% Placement Capacity** has the meaning given in the Explanatory Memorandum for Resolution 4.

**AEST** means Australian Eastern Standard Time, without adjustment for daylight saving.

**Annual General Meeting, AGM or Meeting** means the annual general meeting of shareholders of GARDA Holdings Limited and general meeting of unitholders of the Fund to be held on Wednesday 18 November 2020 pursuant to the Notice of Meeting.

**Annual Report** means the consolidated annual financial report for GARDA Property Group for the financial year ended 30 June 2020.

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

**ASX Listing Rules** means the listing rules of ASX from time to time.

**Auditor** means the current auditor of GARDA Property Group, being Pitcher Partners.

**Board or Directors** means the board of directors of GARDA Holdings Limited and GCL as responsible entity for the Fund.

**Chairman or Chair** means the chairman of the Meeting.

**Constitution** means the constitution of GARDA Holdings Limited and/or the Fund, as context requires.

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

**Director Allocation** means the Securities proposed to be transferred or issued to Matthew Madsen (or his nominee) under the Plan, as described in the Explanatory Memorandum.

**Employee Security Plan or Plan** means the employee security plan of GARDA Property Group as approved by members at the previous annual general meeting on 6 March 2020, and as described in Attachment A.

**Explanatory Memorandum** means the explanatory memorandum in Section B of this document.

**Fund** means the GARDA Diversified Property Fund ARSN 104 391 273.

**GARDA Holdings Limited or Company** means GARDA Holdings Limited ACN 636 329 774.

**GARDA Property Group** means GARDA Holdings Limited and GCL as responsible entity of the Fund, including, as context requires, any of their respective controlled entities.

**GCL** means GARDA Capital Limited ACN 095 039 366 in its capacity as responsible entity of the Fund unless otherwise expressly stated.

**GCM** means the GARDA Capital Group, which previously consisted of GCL (in its corporate capacity) and GARDA Funds Management Limited as responsible entity for GCT. GARDA Capital Group now forms part of GARDA Property Group, following implementation of the Internalisation.

**GCT or GARDA Capital Trust** means the GARDA Capital Trust ARSN 150 164 720.

**Internalisation** means the internalisation by GARDA Property Group of its management functions implemented on 29 November 2019.

**KMP** means key management personnel, as described in the Explanatory Memorandum.

**Notice of Meeting or Notice** means the notice of Annual General Meeting in Section A of this document, and incorporates the Explanatory Memorandum and Proxy Form.



**Proxy** means a proxy appointed by a Securityholder for the AGM under a validly signed and received Proxy Form.

**Proxy Form** means the proxy form which is attached to the Notice.

**Remuneration Report** means the remuneration report for the financial year ended 30 June 2020, set out on pages 13 to 21 of the Annual Report.

**Resolutions** means the resolutions set out in the Notice of Meeting to be considered by Securityholders at the AGM.

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

**Stapled Securities** or **Securities** means the ordinary stapled securities comprising ordinary shares in the Company and ordinary units in the Fund, which are stapled on a one for one basis and trade on ASX under ticker code 'GDF'.

**VWAP** means volume weighted average price.

In this document, the singular of any defined term includes the plural, and vice versa.





## Attachment A – Summary of Employee Security Plan (Resolution 5)

<b>Purpose</b>	The employee security plan ( <b>Plan</b> ) gives certain Eligible Persons the opportunity to acquire Stapled Securities. This is intended to provide an additional incentive to and further align the interests of participating Eligible Persons with the interests of Securityholders.
<b>Administration</b>	The board of directors of the GARDA Holdings Limited ( <b>Company</b> ) and GARDA Capital Limited as responsible entity of GARDA Diversified Property Fund ( <b>Board</b> ) may administer the Plan in accordance with the Plan rules and otherwise as it determines from time to time in its absolute discretion. The Board may delegate its powers under the Plan.
<b>Eligible Persons</b>	An executive director, secretary or other officer of the GARDA Property Group (or a subsidiary) or any other person who is determined by the Board to be an Eligible Person for the purposes of the Plan.  In certain circumstances, an Eligible Person may nominate an entity that it controls to subscribe for the Stapled Securities under the Plan.
<b>Invitations</b>	The Board may, from time to time in its absolute discretion, issue or cause to be issued, invitations on behalf of the GARDA Property Group to Eligible Persons.
<b>Loans</b>	GARDA Diversified Property Fund or such other entity as the Board determines ( <b>Lender</b> ) may make a loan to an Eligible Person of a principal amount not exceeding the purchase price of any Stapled Securities to be issued to or acquired by the Eligible Person ( <b>Participant</b> ) under the Plan.
<b>Purchase price</b>	Unless otherwise determined by the Board, the purchase price of the Stapled Securities will be the "Market Price of a Stapled Security" as defined in the constitution of the GARDA Diversified Property Fund, which is generally the volume weighted average market price for the Stapled Security for the 10 trading days immediately before the date on which the market value is determined (whether or not a sale was recorded on any particular day).
<b>Interest</b>	Interest will be payable on any Loan at a rate of interest (if any) set out in the Invitation from (and including) the date the Stapled Securities are issued to the Participant until (and including) the date on which the Loan is repaid in full.  Dividends and distributions payable in respect of the Stapled Securities issued under the Plan will be applied in satisfaction of the loan (including interest). Where interest exceeds the amount of the dividends and distributions, the interest will be capitalised on a six monthly basis and paid by the Participant to the Lender at such time the loan becomes repayable.
<b>Security</b>	Until the Loan is repaid in full, the GARDA Property Group has a lien over all the Stapled Securities held by the Participant to which the Loan relates. The Board may also require that a Participant give a mortgage over the Stapled Securities as security for the Loan.
<b>Repayment</b>	The Loan must be repaid on the earlier of: <ol style="list-style-type: none"> <li>(1) any repayment date specified in the Invitation (or ten years after issue if no date is specified);</li> <li>(2) the Participant becoming insolvent;</li> <li>(3) the Participant failing to remedy a breach of the Plan within a specified period;</li> <li>(4) the Participant disposing of the Stapled Securities; or</li> <li>(5) three months after the Participant ceases to be engaged by the GARDA Property Group (or such later date the Board determines).</li> </ol> <p>This is subject to any repayment conditions included in the Invitation.</p> <p>Where Stapled Securities have vested (see below), the Board may consent to early repayment of the Loan, in which case the Participant will be entitled to receive dividends and distributions and also to dispose of the Stapled Securities which relate to the repaid portion of the Loan.</p>
<b>Limited recourse</b>	The GARDA Property Group's recourse is limited to the proceeds of the disposal of the Stapled Securities held by the Participant to which the Loan relates. If a Participant forfeits his or her

	interest in Stapled Securities to the GARDA Property Group, the Participant's liability to repay the Loan will be satisfied.
<b>Disposal restriction</b>	A Participant must not, without the prior consent of the Board, dispose of any Stapled Securities until they have vested, the Loan relating to those Stapled Securities has been repaid in full and any further period of restriction imposed by the Board has ended. The GARDA Property Group may instruct its share registry to apply a holding lock to any Stapled Securities subject to disposal restrictions.
<b>Vesting conditions</b>	At the discretion of the Board, the GARDA Property Group may, when making an Invitation, determine that the Stapled Securities offered will be subject to vesting conditions. If applicable, vesting conditions may relate to continuing employment, performance of the Participant or the GARDA Property Group, or the occurrence of specific events.  To the extent permitted by law, the Board has discretion to determine that the Stapled Securities have vested.
<b>Disposal</b>	The GARDA Property Group may, acting on behalf of the Participant, dispose of the Stapled Securities of a Participant (including by way of buy back) if: <ol style="list-style-type: none"> <li>(1) the Participant defaults in repayment of any Loan (refer to above repayment triggers);</li> <li>(2) the Stapled Securities have not vested by the vesting date or are incapable of vesting;</li> <li>(3) the Eligible Person ceases to be engaged by GARDA Property Group (or a subsidiary) for any reason before the Stapled Securities have vested; or</li> <li>(4) while the Loan remains outstanding or the Stapled Securities have not vested, the Participant either attempts to dispose of or encumber the Securities.</li> </ol> If the Stapled Securities are not vested, or if the Participant's engagement is terminated for cause, any difference between the outstanding balance of the Loan and the market value of the relevant Stapled Securities may be paid to the GARDA Property Group.  Where the Securities are vested, the Participant will generally be entitled to receive the difference between the net proceeds of disposal of the Stapled Securities and the outstanding balance of the loan (including interest).
<b>Rights of securities</b>	Stapled Securities issued under the Plan will rank equally in all respects with existing Stapled Securities from the date of allotment.
<b>Takeovers</b>	The unvested Stapled Securities will automatically vest (unless otherwise determined by the Board) if there is a takeover, other change of control or scheme of arrangement affecting the GARDA Property Group, change in the nature or scale of the GARDA Property Group or a person becomes bound or entitled to acquire Stapled Securities under certain statutory provisions ( <b>Control Event</b> ).
<b>Termination</b>	The Plan may be terminated at any time at the discretion of the Board and no compensation under any employment or services contract will arise as a result. In the event of any such termination, the Plan rules will continue to operate with respect to any Stapled Securities issued or transferred under the Plan prior to that termination.
<b>Acquisition costs</b>	Costs of acquisition and disposal of Stapled Securities are to be paid by Participants unless otherwise determined by the Board.
<b>Taxes</b>	The GARDA Property Group or a subsidiary will have the power to withhold from amounts otherwise owing to the Participant, or to require the Participant to remit to it, an amount sufficient to satisfy all federal, state, local and foreign withholding tax requirements.
<b>Amendment</b>	Subject to the Listing Rules, the Board may amend, add to, delete or otherwise vary the Plan rules at any time in any manner it thinks fit in its absolute discretion. With some exceptions, no amendment may be made which materially reduces the rights of Participants in respect of Securities acquired by them prior to the date of the amendment.
<b>Governing Law</b>	The laws of Queensland apply to the Plan.



# GARDA

## GARDA Property Group

Comprising:  
GARDA Holdings Limited ACN 636 329 774; and  
GARDA Capital Limited ACN 095 039 366  
as responsible entity of the  
GARDA Diversified Property Fund ARSN 104 391 273

## LODGE YOUR VOTE

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

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

**BY FAX**  
02 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

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



X99999999999

## PROXY FORM

I/We being a member(s) of GARDA Property Group and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the GARDA Property Group to be held at **10:00am (AEST) on Wednesday, 18 November 2020 at Morgans Financial Limited, Level 29, Riverside Centre, 123 Eagle Street, Brisbane, QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 3 and 5:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the GARDA Property Group if they are signed and received no later than 48 hours before the Meeting.

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

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Election of Director – Mr Paul Leitch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Acquisition of Stapled Securities by Matthew Madsen under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr Andrew Thornton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

GDF PRX2002C



## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the GARDA Property Group'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.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- (a) 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
- (b) 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*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

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

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEST) on Monday, 16 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



#### ONLINE

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

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



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

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

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