

**Charter Hall Group**

# Notice of 2022 Annual General Meeting and Explanatory Memorandum

For a meeting to be held on  
Wednesday, 16 November 2022  
at 2.30pm (AEDT)

Charter Hall Group\*

\*Charter Hall Limited (ACN 113 531 150)

\*Charter Hall Property Trust (ARSN 113 339 147)



# Contents

Chair's Letter	4
Location of the Meeting	5
Meeting Agenda	7
Meeting Protocol	7
Notice of Meeting	8
Entitlement to attend and vote	10
Explanatory Memorandum	12
Glossary and Interpretation	18
Corporate Directory	19

## Separate attachment Proxy Form

This is an important document. Please read it carefully.

If you are unable to attend the Meeting, please complete the Proxy Form and return it in accordance with the instructions in this Notice of Meeting and in the Proxy Form.

Cover: Wesley Place, 130 Lonsdale Street, Melbourne VIC  
Left: 6 Hassall Street, Parramatta NSW

# Chair's Letter

14 October 2022

Dear Securityholder,

## Charter Hall Limited and Charter Hall Property Trust (Charter Hall Group) - Annual General Meeting

It is with pleasure that I invite you to the 2022 Annual General Meeting of Charter Hall Group (the **Meeting**) for a briefing on the Group's operations for the 2022 financial year and to consider the matters set out in the enclosed Notice of Meeting and Explanatory Memorandum.

**The Meeting will be held on Wednesday, 16 November 2022 at 2.30pm (AEDT) at the offices of Charter Hall Group, Level 20, No.1 Martin Place, Sydney NSW 2000.**

Please find enclosed the Notice of Meeting, Explanatory Memorandum, proxy form, and reply envelope.

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 2.30pm (AEDT) on Monday, 14 November 2022 in accordance with the instructions on the attached proxy form.

Securityholders have the opportunity to submit questions and/or to address questions to me, as Chair, and/or our external auditor, PricewaterhouseCoopers (**PwC**), prior to the Meeting. To do this, please log on to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select "Voting", then click "Ask a Question". Representatives from PwC will be present at the Meeting to respond to the questions received and as well as any additional questions. Please note that written questions for PwC must be sent to, and received by, Link Market Services Limited by no later than 5.00pm on Wednesday, 9 November 2022 in accordance with the instructions on the website.

If you require further information or have questions, please contact the Charter Hall Group Registry on 1300 664 498.

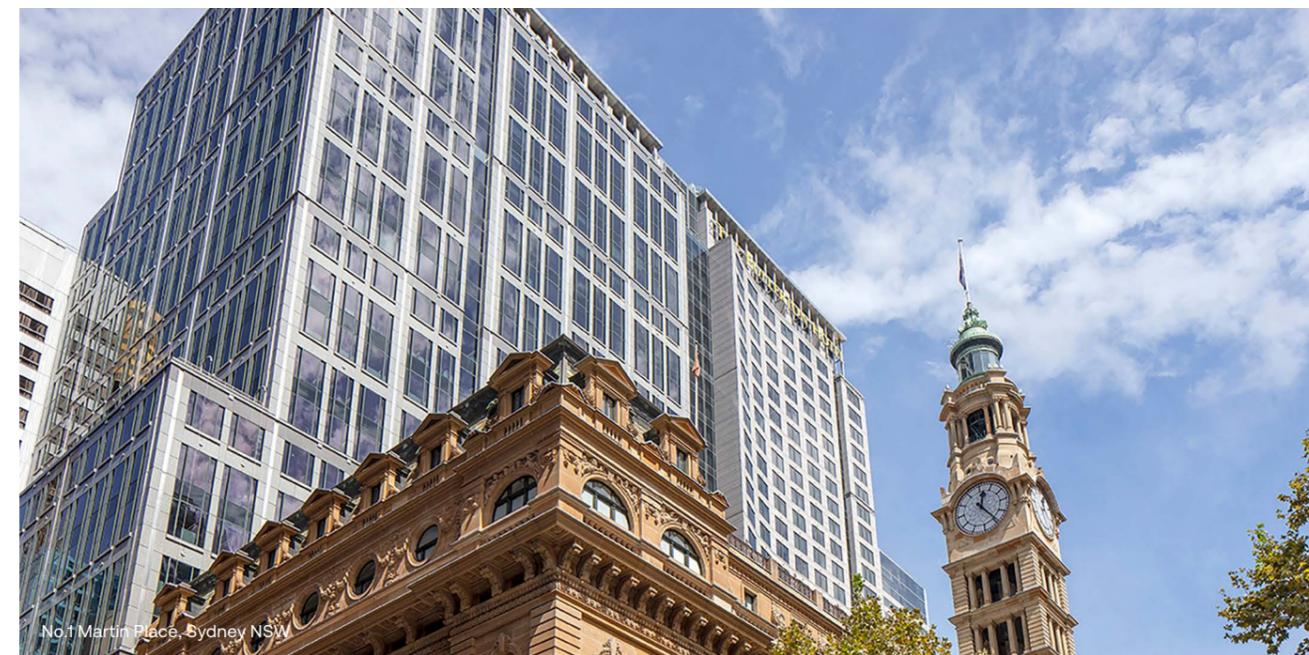
I look forward to your participation at the Meeting.

Yours sincerely,



**David Clarke**  
Chairman of Charter Hall Group

# Location of the Meeting



## Venue

The Meeting of the Securityholders of Charter Hall Group will be held at:

**Charter Hall**  
Level 20, No. 1 Martin Place  
Sydney NSW 2000

## Commencing

2.30pm AEDT,  
Wednesday, 16 November 2022.

## Charter Hall Head Office

The office is conveniently situated in the middle of the Sydney CBD and within close proximity to the city's ferry, light rail, bus and taxi facilities.

## By Taxi

A taxi rank is located west side of Pitt Street near Martin Place and King Street, and north side of King Street and Castlereagh Street, Sydney.

## By Car

Self-parking is available through Secure Parking, with entrance below the Fullerton Hotel from 171 Pitt Street, Sydney.

Alternatively self-parking is offered through Wilson Parking at 123 Pitt Street, Angel Place, Sydney. Self-parking rates are available upon request.

## By Train

Martin Place and Wynyard railway stations are within walking distance from the office. The stations offer services on all intercity and suburban trains are a five-minute train ride to Central Station – the main station for all train services in Sydney.

## By Light Rail

The CBD and south east Light Rail travels both directions along George Street to either Central or Circular Quay with regular services running every 4-8 minutes. The closest stop is between Martin Place and the entrance to Wynyard.

## By Bus

Following completion of the Light Rail buses in the city centre no longer run along George Street and operate predominately along routes on Elizabeth Street, Castlereagh Street, Park Street, DrUITT Street, Clarence Street and York Street.



# Meeting Agenda

Wednesday, 16 November 2022

2.00pm

Registration begins

2.30pm

Meeting commences

- Welcome to Securityholders by the Chair
- Managing Director and Group CEO's presentation
- Items of Business

3.30pm

Light refreshments

The Meeting is an important event and we encourage Securityholders to actively participate. Important information about the conduct of the Meeting is set out on the right.

# Meeting Protocol

## Discussion and asking questions

Discussion will take place on all of the items of business as set out on pages 8-9.

The Explanatory Memorandum provides further information relating to the items of business.

Securityholders will have the opportunity to ask questions at the Meeting, including an opportunity to ask questions of the Auditor.

To ensure that as many Securityholders as possible have the opportunity speak, Securityholders are requested to observe the following guidelines:

- Please keep questions as brief as possible and relevant to the matters being discussed.
- If a Securityholder has more than one question, please ask all questions together.

Securityholders who are unable to attend the Meeting or who prefer to register questions in advance are invited to do so. Please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select Voting and then click 'Ask a Question'.

An opportunity for discussion will be provided on each item of business prior to Securityholders being asked to vote.

## Webcast

For those that may not be able to attend the Meeting, a live webcast (audio & presentation only) will be made available.

To view the webcast:

1. Enter <https://web.lumiagm.com/398631285>  
**Meeting ID** 398-631-285
2. Enter your name and email address
3. Select "Continue"

An on-demand webcast will be made available after completion of the event and can be viewed here <https://www.charterhall.com.au/investments/funds/Charter-Hall-Group/results-presentations>

## Photography

Cameras and recording devices are not permitted at the Meeting.

Left: No.1 Martin Place, Sydney NSW

# Notice of Meeting

Notice is hereby given that the annual general meeting of Charter Hall Limited (**CHL**) Shareholders and general meeting of Charter Hall Property Trust (**CHPT**) Unitholders (together **Securityholders**) will be held at:

Level 20, No. 1 Martin Place  
Sydney NSW 2000  
At 2.30pm (AEDT) on Wednesday, 16 November 2022.

## Important Information:

- The resolutions should be read in conjunction with the Explanatory Memorandum which follows.
- Certain terms and abbreviations used below are defined in the Glossary at page 18 of this Notice of Meeting.
- As explained in the 'voting exclusions' paragraphs below, certain Securityholders are excluded from voting in relation to particular resolutions and Charter Hall Group must disregard votes cast by those Securityholders. Please do not vote if your vote must be disregarded or if you are not entitled to vote as outlined in the paragraphs below.
- The Meeting will be held in accordance with the Corporations Act, the Listing Rules, CHL's Constitution and CHPT's Constitution. Copies of both CHL's Constitution and CHPT's Constitution can be found on the Charter Hall Group's website (at [www.charterhall.com.au/Corporate-Governance](http://www.charterhall.com.au/Corporate-Governance))

The business of the Meeting is as follows:

## Business:

### Item 1 – Annual Report

To receive and consider the Annual Report, consisting of the Financial Report and Directors' Report, and Auditor's Report for the year ended 30 June 2022.

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

### Item 2 – Re-election of Directors

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

- "That Mr David Clarke is re-elected as a Director of CHL."
- "That Ms Karen Moses is re-elected as a Director of CHL."
- "That Mr Greg Paramor is re-elected as a Director of CHL."

### Item 3 – Adoption of Remuneration Report

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

"That the Remuneration Report included in the Annual Report for the year ended 30 June 2022 be adopted."

Note: The vote on this resolution is advisory only and does not bind Charter Hall Group or the Directors of CHL.

### Voting exclusions

Charter Hall Group will disregard any votes cast on this resolution:

- by or on behalf of a member of the key management personnel named in the Remuneration Report for the year ended 30 June 2022 or their Closely Related Parties, regardless of the capacity in which the vote is cast; or
  - as a proxy by a person who is a member of the key management personnel at the date of the Meeting or their Closely Related Parties,
- unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:
- in accordance with their directions as set out in the proxy form; or
  - by the Chair of the Meeting pursuant to an express authorisation on the proxy form.

### Item 4 – Issue of service rights to Mr David Harrison - (Mandatorily deferred portion of Short-Term Incentive (STI) for FY22)

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

"That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes for the issue of 96,824 service rights to Mr David Harrison as described in the Explanatory Memorandum."

### Voting exclusions

Charter Hall Group will disregard any votes cast on this resolution:

- in favour of the resolution by or on behalf of Mr Harrison or an Associate of Mr Harrison, regardless of the capacity in which the vote is cast;
- as a proxy by a member of the key management personnel at the date of the Meeting or their Closely Related Parties,

unless the vote is cast by:

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

In accordance with section 253E of the Corporations Act, Charter Hall Funds Management Limited (CHFML) and its Associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

### Item 5 – Issue of performance rights to Mr David Harrison – (Long Term Incentive (LTI) for FY23)

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

"That approval is given for the purposes of ASX Listing Rule 10.14 and for all other purposes for the issue of 258,198 performance rights to Mr David Harrison as described in the Explanatory Memorandum."

### Voting exclusions

Charter Hall Group will disregard any votes cast on this resolution:

- in favour of the resolution by or on behalf of Mr Harrison or an Associate of Mr Harrison, regardless of the capacity in which the vote is cast;
- as a proxy by a member of the key management personnel at the date of the Meeting or their Closely Related Parties,

unless the vote is cast by:

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

In accordance with section 253E of the Corporations Act, CHFML and its Associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

# Entitlement to attend and vote

The Directors have determined that the holding of each Securityholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the Register at 7:00pm on Monday, 14 November 2022.

At the Meeting, each Securityholder (in their capacity as a CHL Shareholder):

- on a show of hands, has 1 vote; and
- on a poll, has 1 vote for each CHL Share they hold.

At the Meeting, each Securityholder (in their capacity as a CHPT Unitholder):

- on a show of hands, has 1 vote; and
- on a poll, has 1 vote for each dollar of the value of the total interest they have in CHPT.

## Voting by Proxy

A Securityholder is entitled to appoint a proxy to attend and vote on behalf of the Securityholder at the Meeting. A proxy need not be a Securityholder of Charter Hall Group.

Securityholders wishing to appoint a Director (including the Chair of the Meeting) or other member of the key management personnel of Charter Hall Group or their Closely Related Parties as their proxy should carefully read the instructions on the proxy form and follow these instructions to ensure their votes are not disregarded.

A Securityholder entitled to cast two or more votes at the Meeting may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the Securityholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, then each proxy may exercise half of the votes.

A proxy form is attached to this Notice of Meeting. To be valid, proxy forms, and the authority under which any form appointing a proxy is signed or a certified copy of that authority (if any), must be received by no later than 2:30pm (AEDT) on Monday, 14 November 2022 in accordance with the instructions listed on the attached proxy form.

Alternatively, Securityholders may vote online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), by entering the Securityholder's holding details as shown on the proxy form, then selecting "Voting", and then following the prompts to lodge the Securityholder's vote. To use the online lodgment facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)).

If a Securityholder returns their proxy form but does not nominate a representative, the Chair of the Meeting will be that Securityholder's proxy and will vote on that Securityholder's behalf as directed on the proxy form. If the Securityholder's nominated representative does not attend the Meeting, then that Securityholder's proxy will revert to the Chair of the Meeting who may vote as he thinks fit (subject to the note below regarding Items 3, 4 and 5) in relation to any motion or resolution, other than those (if any) in respect of which the Securityholder has provided an indication of the manner of voting on that Securityholder's proxy form.

## Undirected Proxies

If a Securityholder does not wish to direct their proxy as to how to vote in respect of a resolution, that proxy may vote as they see fit on each resolution, subject to the requirements of the Corporations Act and Listing Rules.

The Chair of the Meeting intends to cast all available proxies in favour of each of the items of business in the Notice of Meeting.

## Remuneration related resolutions (Items 3-5)

If the Chair of the Meeting is appointed, or taken to be appointed, as a proxy, and the relevant Securityholder does not mark any of the voting boxes opposite Items 3, 4, and 5 then by completing and submitting the proxy form the Securityholder is expressly authorising the Chair of the Meeting to exercise the proxy as he decides, notwithstanding that the item is connected with the remuneration of the key management personnel.

Other Directors (including the Managing Director and Group CEO), members of the key management personnel and their Closely Related Parties will not be able to vote undirected proxies on Items 3, 4 and 5.

## Voting by Attorney

A Securityholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by Link Market Services Limited using the contact details listed above in the section headed "Voting by Proxy" by no later than 2:30pm (AEDT) on Monday, 14 November 2022. Please note that certified copies of authorities or powers of attorney cannot be received by facsimile and may only be received by mail or by hand delivery.

## Corporate representatives

A body corporate which is a Securityholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting.

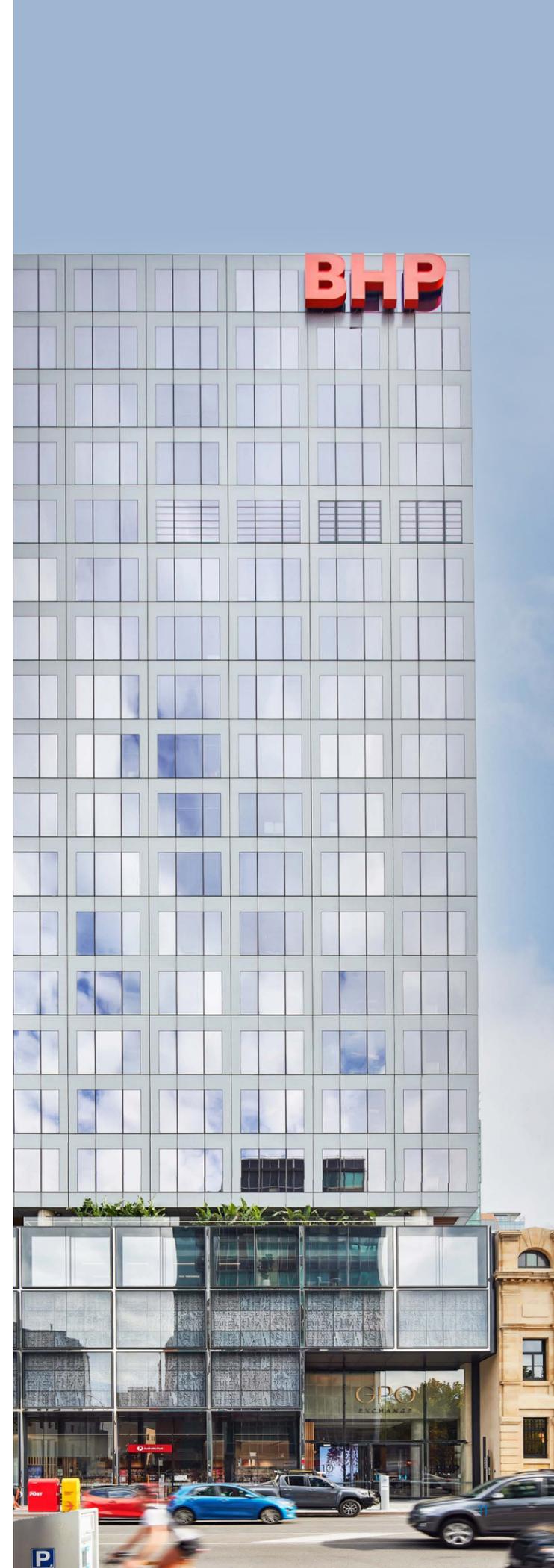
The appointment must comply with the requirements of sections 250D and 253B of the Corporations Act. The representative should email evidence of their appointment, including any authority under which it is signed, unless it has previously been given to Link Market Services.

By order of the Board.



**Mark Bryant**  
Company Secretary

14 October 2022



Right: GPO Exchange, Adelaide SA

# Explanatory Memorandum

## Item 1 – Annual Report

No Resolution is required for this item of business.

Copies of Charter Hall Group’s 2022 Annual Report are available at [www.charterhall.com.au](http://www.charterhall.com.au). A copy of the Annual Report has been sent to those Securityholders who requested one. Securityholders who wish to receive a hard copy should contact Link Market Services Limited (see the Corporate Directory for contact details).

During this item of business an opportunity will be given to Securityholders to ask questions about, or make comments on, the management of Charter Hall Group.

Similarly, a reasonable opportunity will be given to Securityholders, as a whole, to ask the Charter Hall Group auditor, PwC, questions relevant to the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies adopted by Charter Hall Group in relation to the preparation of its financial statements and the independence of the auditor in relation to the audit for the year ended 30 June 2022.

Securityholders may also submit questions in advance by logging on to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), selecting “Voting” then clicking “Ask a Question”.

Relevant written questions for PwC must be received by no later than 5.00pm (AEDT) on Wednesday, 9 November 2022, in accordance with the instructions on the website.

## Item 2 – Re-Election of Directors of CHL

Listing Rule 14.4 provides that a director must not hold office (without re-election) past the third annual general meeting following the director’s appointment or three years, whichever is longer. It also provides that an entity must hold an election of directors each year. These provisions are substantively replicated in Rule 42 of CHL’s Constitution.

Listing Rule 14.4 also provides that managing directors are not subject to this requirement (i.e., to stand for re-election every three years).

Each of Mr David Clarke, Ms Karen Moses and Mr Greg Paramor is eligible to be re-elected as a Director of CHL and offers themselves for re-election.

Information about the background and experience of each Director standing for re-election is set out below:

### Mr David Clarke Chair / Independent Non-Executive Director

David joined the Board on 10 April 2014 and was appointed Chair of the Board on 12 November 2014. David is currently Chair of the Nominations Committee and is a member of the Audit, Risk and Compliance Committee and the Investment Committee.

David has over 35 years’ experience in investment banking, funds management, property finance and retail banking. David was Chief Executive Officer of Investec Bank (Australia) Limited from 2009 to 2013.

Prior to joining Investec Bank, David was the CEO of Allco Finance Group and a Director of AMP Limited, following five years at Westpac Banking Corporation where he held a number of senior roles including the Chief Executive of the Wealth Management Business, BT Financial Group. David also was previously an Executive Director at Lend Lease Corporation Limited, Chief Executive of MLC Limited, and prior to this was Chief Executive Officer of Lloyds Merchant Bank in London.

David is currently the Chairman of AUB Group Limited, Resolution Life Australasia and Fisher Funds Management Limited.

David holds a Bachelor of Laws degree.

### Recommendation

*The Directors of CHL (other than Mr Clarke) unanimously endorse the re-election of Mr Clarke as a Director of CHL.*

### Ms Karen Moses Independent Non-Executive Director

Karen joined the Board on 1 September 2016 and was appointed Chair of the Audit Risk and Compliance Committee on 9 November 2016. Karen is also a member of the Remuneration and Human Resources Committee and the Nominations Committee.

Karen has over 30 years’ corporate experience in the energy industry spanning oil, gas, electricity, and coal commodities, gaining her experience both within Australia and overseas.

During her executive career, Karen was a senior executive at Origin Energy including the roles of Executive Director, Finance and Strategy and Chief Operating Officer.

Karen is currently a Director of Orica Limited and Boral Limited. She is also a Director of Snowy Hydro Limited and a Senate Fellow – Chair of Finance Committee at the University of Sydney.

Karen holds a Bachelor of Economics and a Diploma of Education from the University of Sydney.

### Recommendation

*The Directors of CHL (other than Ms Moses) unanimously endorse the re-election of Ms Moses as a Director of CHL.*

### Mr Greg Paramor AO Independent Non-Executive Director

Greg Joined the Board on 30 November 2018 and is currently the Chair of the Investment Committee. He is also a member of the Nominations Committee and the Remuneration and Human Resources Committee.

Greg has been involved in the real estate and funds management industry for more than 40 years, and was the co-founder of Equity Real Estate Partners, Growth Equities Mutual, Paladin Australia and the James Fielding Group.

Greg was the CEO of Mirvac Group between 2004 and 2008. He then became Managing Director of Folkestone Limited, before it was acquired by Charter Hall in 2018. Greg is a past president of the Property Council of Australia and past president of the Investment Funds Association, a Fellow of the Australian Property Institute and The Royal Institute of Chartered Surveyors.

Greg is a board member of the Sydney Swans and Eureka Group Holdings Limited.

Greg is the Chair of Backtrack Youth Works, an Advisory Board Member of The Nature Conservancy Australia, and a Board Member of the Garvan Institute of Medical Research.

Greg was awarded an Officer in the General Division (AO) of the Order of Australia in January 2015 for his distinguished service to the community through executive roles in a range of fields, including breast cancer research, the not-for-profit sector and real estate and property investment industries.

### Recommendation

*The Directors of CHL (other than Mr Paramor) unanimously endorse the re-election of Mr Paramor as a Director of CHL.*

## Item 3: Adoption of Remuneration Report

As required by the Corporations Act, the Board is presenting the Remuneration Report to Securityholders for consideration and adoption.

The resolution is advisory only and does not bind the Directors.

The Remuneration Report contains information relating to:

- Charter Hall Group’s remuneration policies as they relate to key management personnel;
- The link between remuneration and Charter Hall Group’s performance; and
- Individual outcomes for Charter Hall Group’s key management personnel and Directors.

A copy of the Remuneration Report, which is part of the 2022 Annual Report, is available by contacting Link Market Services Limited (see the Corporate Directory for contact details) or by visiting Charter Hall Group’s website.

A reasonable opportunity will be provided for discussion on the Remuneration Report at the Meeting.

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

### Recommendation

*The Directors unanimously recommend that Securityholders vote in favour of Item 3.*

## Item 4: Issue of service rights to Mr David Harrison - (Mandatorily deferred portion of Short Term Incentive (STI) awarded for FY22)

In accordance with Listing Rule 10.14, Charter Hall Group is seeking Securityholder approval for the issue of 96,824 service rights to the Managing Director and Group CEO.

The allocation of service rights is the deferred portion of Mr Harrison’s FY22 STI award (equivalent to one third of his awarded STI for FY22).

### Details of service rights

#### a. Basis for the quantum of the proposed issue of service rights to Mr Harrison

#### STI Overview

In respect of FY22, any STI award was subject to the Charter Hall Group achieving a financial gateway of 95% or more of the target annual OEPS.

STI awards for FY22 reflected the Charter Hall Group achieving an OEPS which exceeded the Group target in addition to achieving other financial and non-financial KPIs.

Once the OEPS financial gateway was reached, individual performance against other KPIs became the basis for determining what STI awards were to be made to individuals, if any. The Board assessed the performance of Mr Harrison against his individual performance measures established for FY22. The Board also retains the discretion to increase or decrease the STI amount available based on its assessment of overall performance.

The Managing Director and Group CEO's scorecard was divided into three performance measures: Financial & Risk, Strategy & Customer, and Leadership, Culture & Collaboration. These scorecard KPI categories represent important elements of Charter Hall Group's core strategic objectives. Each of these categories has measures of "Growth" and "Resilience".

Below is a summary of the Managing Director's performance measures and KPIs for FY22 as assessed by the Board:

- Financial & Risk measures (weighted at 50%) included Charter Hall Group OEPS, gross equity allotment in funds and partnerships, fund and partnership property portfolio performance and treasury risk management metrics;
- Strategy & Customer measures (weighted at 30%) included effective delivery of strategic growth initiatives, progress against key ESG initiatives and positive investor and tenant customer relationships; and
- Leadership, Culture & Collaboration measures (weighted at 20%) included performance against leadership capability development, diversity and inclusion, and employee engagement and well-being metrics.

These performance measures were selected as they establish a clear link between Charter Hall Group performance and purpose, our core strategic objectives of growth and resilience, and long-term interests of our customers and securityholders.

A detailed FY22 scorecard for the Managing Director is provided in section 6.4 of the Remuneration Report (page 64) within the 2022 Annual Report.

#### **FY22 STI achievement**

The number of service rights that Mr Harrison will be allocated has been determined on a face value basis by dividing the value of the deferred portion of his STI

award for FY22 of \$1,125,000 by the Volume Weighted Average Price (VWAP) of Charter Hall Stapled Securities for the month of June 2022 i.e., \$11.619 and rounding to the nearest whole service right.

A cash payment equivalent to cash distributions declared to the Securityholders during the vesting period will be paid to Mr Harrison on vesting of his service rights. This cash payment will only be payable on service rights that vest at the end of the relevant vesting period.

#### **b. Nature of the service rights**

The vesting condition applicable to the service rights is that Mr Harrison is employed by the Charter Hall Group on 31 August 2023 for 50% of the service rights to vest, and on 31 August 2024 for the remaining 50% of the service rights to vest, subject to the cessation of employment provisions described below.

The service rights are granted at no cost to Mr Harrison. Charter Hall uses service rights because they create security price alignment between executives and Securityholders, and do not provide the executives with the full benefits of security ownership (such as distribution and voting rights) unless and until the service rights vest.

#### **c. Date the service rights will be issued**

If the resolution in Item 4 is approved by Securityholders, the service rights will be issued in two tranches to Mr Harrison as soon as practicable after the Meeting, but in any case, no later than 31 August 2023 for 50% of the service rights (the First Issue Date), and no later than 31 August 2024 for the remaining 50% of the service rights (the Second Issue Date).

Each service right will generally convert into a fully paid Stapled Security on 31 August 2023 and 31 August 2024 respectively, if the relevant vesting condition is met.

If the resolution in Item 4 is not approved by Securityholders, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Harrison.

#### **d. Vesting conditions of service rights**

If Mr Harrison resigns or is terminated for cause:

- on or before 31 August 2023, all of his service rights would be forfeited; or
- on or before 31 August 2024, the second tranche (being the remaining 50%) of his service rights would be forfeited,

unless the Board determines otherwise.

If Mr Harrison's employment is terminated for any other reason:

- on or before 31 August 2023, the service rights will continue to be held by Mr Harrison and, subject to the PROP rules and terms of the offer, will vest on the relevant vesting dates for each tranche as though Mr Harrison had not ceased employment; or
- after 31 August 2023 but on or before 31 August 2024, the second tranche (being the remaining 50%) of the service rights will continue to be held by Mr Harrison and, subject to the PROP rules and terms of the offer, will vest on the vesting date as though Mr Harrison had not ceased employment,

unless the Board determines otherwise.

#### **e. Additional terms**

*Change of control provisions* - The Board, in its absolute discretion, may determine the manner in which the service rights will be dealt with.

*Hedging and margin lending prohibitions* -

In accordance with the Corporations Act, Mr Harrison is prohibited from hedging or otherwise protecting the value of unvested stapled securities.

#### **f. Other matters**

There are no loans to be granted by CHL or CHFML to Mr Harrison in relation to the acquisition of the service rights.

ASX Listing Rule 10.14 provides that a listed entity must not issue securities to a Director under an employee incentive scheme unless it obtains the approval of its securityholders. At the 2021 Annual General Meeting, Securityholders approved the issue of 51,384 service rights (which represents the FY21 deferred STI) and 218,594 performance rights (which represents the FY22 LTI) to Mr Harrison.

No amount was paid or payable on the issue of service rights and performance rights to Mr Harrison which were approved at the 2021 Annual General Meeting.

Apart from Mr Harrison, no Directors or associates of Directors are participants in the PROP or have been invited or are entitled to participate in the PROP.

Details of the service rights issued under the Performance Rights and Options Plan (PROP) will be published in the annual report for Charter Hall Group relating to the period in which the service rights have been issued, noting that approval for the issue of the service rights was obtained pursuant to Listing Rule 10.14.

Any additional persons who become entitled to participate in the employee incentive scheme after the

resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

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

#### **Recommendation**

***The Directors (other than Mr Harrison) unanimously recommend that Securityholders vote in favour of Item 4.***

### **Item 5 - Issue of performance rights to Mr David Harrison – (Long Term Incentive (LTI) for FY23)**

ASX Listing Rule 10.14 provides that a listed entity must not issue securities to a Director under an employee incentive scheme unless it obtains the approval of its securityholders.

Consequently, Charter Hall Group is seeking approval from securityholders for the issue of 258,198 performance rights in respect of Mr Harrison's long-term incentive award for the financial year ending 30 June 2023.

#### **Details of performance rights**

The number of performance rights being granted to Mr Harrison has been determined by dividing \$3,000,000 (being Mr Harrison's LTI opportunity for the financial year ending 30 June 2023) by the VWAP of Charter Hall Stapled Securities for the month of June 2022 i.e., \$11.619 and rounding to the nearest whole performance right.

The performance rights will have a four-year performance period, commencing on 1 July 2022 and ending on 30 June 2026.

Charter Hall uses performance rights because they create security price alignment between executives and Securityholders, and do not provide the executives with the full benefits of security ownership (such as distribution and voting rights) unless and until the performance rights vest.

If the applicable vesting conditions are met, Mr Harrison will generally be entitled to receive one fully paid Stapled Security in the Charter Hall Group for each vested performance right.

A cash payment equivalent to cash distributions declared to the Securityholders during the vesting period will be paid to Mr Harrison on vesting of his performance rights. This cash payment will only be payable on performance rights that vest at the end of the vesting period.

**a. Price of the performance rights**

No amount is payable for the performance rights. In addition, no amount is payable to exercise a performance right once it vests.

**b. Date the performance rights will be issued**

If the resolution in Item 5 is approved by Securityholders, the performance rights will be issued to Mr Harrison as soon as practicable after the Meeting, but in any case, no later than 12 months after the date of the Meeting. If the resolution in Item 5 is not approved by Securityholders, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Harrison.

**c. Vesting conditions of performance rights**

The vesting of performance rights is subject to both service and performance conditions.

The FY23 grant of performance rights may vest on 31 August 2026. These rights cannot be exercised until after the release of the full FY26 results.

The performance rights will be divided into two tranches, with 50% of the performance rights subject to an operating earnings per security growth measure and the remaining 50% subject to a relative total shareholder return (TSR) measure.

**Operating Earnings Per Security measure**

The OEPS growth hurdle measures the aggregate OEPS of Charter Hall Group achieved over the relevant performance period. The Board has set the commencement OEPS for the FY23 grant as the FY22 OEPS of 115.6 cps (after tax).

For the FY23 grant, 50% of performance rights in this tranche will vest on 31 August 2026 if the aggregate OEPS over the four-year performance period is equal to 523.2 cps (after tax), representing 5% per annum compound growth on the FY22 OEPS of 115.6 cps (after tax) over the performance period and 100% of performance rights in this tranche will vest if the aggregate OEPS over the performance period is equal to 549.2 cps (after tax), representing 7% per annum compound growth over the performance period, with progressive pro-rata vesting (i.e. on a straight line basis) between 523.2 cps (after tax) and 549.2 cps (after tax).

**Relative TSR performance condition**

Relative TSR performance is determined based on Charter Hall Group's total securityholder return (assuming distributions are reinvested) ranking against the constituents of the comparator group (see below) over the performance period. Performance rights vest on 31 August 2026 if the TSR of Charter Hall Group for the performance period ranks at or above the

50th percentile of the comparator group, with 50% of performance rights in this tranche vesting at the 50th percentile and 100% of performance rights in this tranche vesting at the 75th percentile or above, with progressive pro-rata vesting between the 50th and 75th percentile (i.e., on a straight-line basis).

The Board has determined the Comparator Group for the FY23 LTI to be:

- Abacus Property Group (ABP)
- Arena REIT (ARF)
- BWP Trust (BWP)
- Centuria Capital Group (CNI)
- Centuria Industrial REIT (CIP)
- Charter Hall Long Wale REIT (CLW)
- Charter Hall Retail REIT (CQR)
- Cromwell Property Group (CMW)
- Dexus Property Group (DXS)
- Goodman Group (GMG)
- GPT Group (GPT)
- Growthpoint Properties Australia (GOZ)
- Home Consortium Limited (HMC)
- Homeco Daily Needs REIT (HDN)
- Ingenia Community Stapled Securities (INA)
- Mirvac Group (MGR)
- National Storage REIT (NSR)
- Scentre Group (SCG)
- Shopping Centres Australasia Property Group (SCP)
- Stockland (SGP)
- Vicinity Centres (VCX)
- Waypoint REIT (WPR)

The Board is able to determine the treatment of the companies in the comparator group at the Board's discretion.

If Mr Harrison resigns or is terminated for cause on or before 31 August 2026, the performance rights would be forfeited, unless the Board determines otherwise.

If Mr Harrison's employment is terminated for any other reason on or before 31 August 2026, unless the Board determines otherwise the performance rights will continue to be held by Mr Harrison and, subject to the Plan Rules and terms of the offer, will vest on the vesting date as though he had not ceased employment.

**General Conditions**

Any performance rights that fail to vest on the vesting date are forfeited.

Absent any unusual circumstances where Board discretion ought to be exercised and subject to the cessation of employment provisions described above, in order to meet the service condition PROP participants must be employed by the Charter Hall Group on the relevant vesting date of any performance right.

**Rationale for the two Performance Measures**

The rationale for the two performance measures is set out in section 6.5 of the Remuneration Report (pages 69 and 70) within the 2022 Annual Report.

In summary, the Relative TSR measure is the most widely used LTI performance measure in Australia. It ensures that value is only delivered to participant's if the investment return received by Securityholders is sufficiently high relative to the investment returns provided by the comparator group over the same period. The comparator group which is comprised of the REITs included in the S&P/ASX 200 A-REIT Accumulation Index as at 1 July 2022 is regarded as sufficiently large and the most relevant comparator group as it represents the major REITs listed and categorised as REITs on the ASX.

The OEPS growth measure was selected because OEPS is a key driver of securityholder returns and therefore aligns performance with returns to securityholders and is also within the executive's ability to influence. The aggregate OEPS performance growth measure is used because Charter Hall's annual OEPS can fluctuate due to performance and transaction fee income, and the Board believes that aggregate OEPS allows for OEPS to be considered over the entire four-year performance period. The OEPS growth rates used to set the aggregate OEPS performance hurdles of 5% per annum compound for the minimum aggregate OEPS hurdle and 7% per annum compound for the stretch aggregate OEPS hurdle is regarded by the Board as a competitive growth rate "through the cycle" when compared to other REITs in the ASX200 A-REIT Accumulation Index (for further detail see section 6.5 of the Remuneration Report (pages 69 and 70) within the 2022 Annual Report).

**d. Basis for the quantum of the proposed issue of performance rights to Mr Harrison**

The Remuneration Framework applicable to Mr Harrison is described in the Remuneration Report section of the Annual Report. In summary, it comprises base pay and superannuation (fixed remuneration), an STI and an LTI.

Mr Harrison's FY23 total target remuneration is \$6,986,250 which is 3.5% higher than in FY22. The increase in remuneration was all allocated to at-risk STI. The FY23 total target remuneration comprises fixed remuneration of \$1,500,000, target STI opportunity

of \$2,486,250 (with a maximum STI opportunity of up to \$3,729,375) and maximum LTI opportunity of \$3,000,000. Mr Harrison's fixed remuneration includes base pay and superannuation.

**e. Securities held**

The number of Stapled Securities, options and performance rights currently held by Mr Harrison are set out on page 80 of the Annual Report or otherwise available on the ASX Market Announcements Page.

**f. Other matters**

*Change of control provisions* - The Board, in its absolute discretion, may determine the manner in which the performance rights will be dealt with.

*Hedging and margin lending prohibitions* - In accordance with the Corporations Act, Mr Harrison is prohibited from hedging or otherwise protecting the value of unvested stapled securities.

There are no loans to be granted by CHL or CHFML to Mr Harrison in relation to the acquisition of the performance rights under the proposed grant in Item 5.

At the 2021 Annual General Meeting, Securityholders approved the issue of 51,384 service rights (which represents the FY21 deferred STI) and 218,594 performance rights (which represents the FY22 LTI) to Mr Harrison, with a nil exercise price.

No amount was paid or payable on the issue of service rights and performance rights to Mr Harrison which were approved at the 2021 Annual General Meeting.

Apart from Mr Harrison, no Directors or associates of Directors are participants in the PROP or have been invited or are entitled to participate in the PROP.

Details of the performance rights issued under the PROP will be published in the annual report for Charter Hall Group relating to the period in which the performance rights have been issued, noting that approval for the issue of the performance rights was obtained pursuant to Listing Rule 10.14.

Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

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

**Recommendation**

*The Directors (other than Mr Harrison) unanimously recommend that Securityholders vote in favour of Item 5.*

# Glossary and Interpretation

## Glossary

<b>Annual Report</b>	The annual report of Charter Hall Group that includes the financial report, the Directors' report and the independent audit report for the period ended 30 June 2022
<b>ASX</b>	ASX Limited
<b>Associate</b>	The definition provided in the note to Rule 14.11 of the Listing Rules
<b>Auditor or PwC</b>	PricewaterhouseCoopers
<b>Board</b>	Board of Directors of CHL and/or CHFML, as appropriate
<b>Charter Hall Group or Group</b>	CHL and CHPT and, where appropriate, their controlled entities
<b>CHFML or the Responsible Entity</b>	Charter Hall Funds Management Limited (ACN 082 991 786; AFSL 262861) in its capacity as responsible entity of CHPT
<b>CHL or the Company</b>	Charter Hall Limited (ACN 113 531 150)
<b>CHL Share</b>	A share in CHL
<b>CHL Shareholder</b>	A registered holder of a CHL Share
<b>CHPT</b>	Charter Hall Property Trust (ARSN 113 339 147)
<b>CHPT Unit</b>	A unit in CHPT
<b>CHPT Unitholder</b>	A registered holder of a CHPT Unit
<b>Closely Related Party</b>	Has the meaning given in the Corporations Act
<b>Corporations Act</b>	The Corporations Act 2001 (Cth)
<b>cps</b>	Cents per security
<b>Directors</b>	The directors of CHL and/or CHFML, as appropriate
<b>Explanatory Memorandum</b>	The explanatory memorandum that accompanies this Notice of Meeting
<b>KPI</b>	Key Performance Indicator
<b>Listing Rules</b>	Listing Rules of ASX
<b>LTI</b>	Long term incentive
<b>Managing Director and Group CEO</b>	David Harrison
<b>Meeting</b>	The 2022 annual general meeting of CHL Shareholders and general meeting of CHPT
<b>Notice of Meeting</b>	This notice of Meeting and any notice of any adjournment of the Meeting
<b>OEPS</b>	Operating Earnings per Security
<b>PROP</b>	The Performance Rights and Options Plan of Charter Hall Group
<b>Register</b>	The register of Securityholders as maintained by Link Market Services Limited
<b>Remuneration Report</b>	The Remuneration Report included in the Annual Report
<b>Securityholders</b>	Registered holders of Stapled Securities
<b>Stapled Security</b>	Means a CHL Share stapled to a CHPT Unit

<b>STI</b>	short term incentive
<b>TSR</b>	total shareholder return
<b>VWAP</b>	volume weighted average price

## Interpretation

The following rules apply unless the context requires otherwise:

- The singular includes the plural, and the converse also applies.
- If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

# Corporate Directory

## Registered office

Level 20, No.1 Martin Place  
Sydney NSW 2000

Tel +61 2 8651 9000

ASX code: CHC

## Directors

David Clarke (Chair)  
Jacqueline Chow  
David Harrison  
Karen Moses  
Greg Paramor AO  
David Ross

## Company Secretary

Mark Bryant

## Auditor

### PricewaterhouseCoopers

One International Towers Sydney  
Watermans Quay, Barangaroo  
Sydney NSW 2000

## Investor relations

All other enquiries related to Charter Hall Group can be directed to Investor Relations:

### Charter Hall Group

GPO Box 2704  
Sydney NSW 2001  
Tel: 1300 365 585 (within Australia)  
+61 2 8651 9000 (outside Australia)  
E-mail: [reits@charterhall.com.au](mailto:reits@charterhall.com.au)  
Web: [charterhall.com.au](http://charterhall.com.au)



## LODGE YOUR VOTE

 **ONLINE**  
<https://investorcentre.linkgroup.com>

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

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: 1300 664 498 Overseas: +61 1300 664 498



X99999999999

## PROXY FORM

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

### APPOINT A PROXY

the Chair 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

Name

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chair 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 Company to be held at **2:30pm (Sydney time) on Wednesday, 16 November 2022 at Charter Hall Group, Level 20, No.1 Martin Place, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

You can participate by attending in person or via the webcast at **CHC AGM Webcast URL <https://web.lumiagm.com/398631285>, Meeting ID: 398-631-285**

**Important for Resolutions 3 to 5:** If the Chair 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 Chair of the Meeting to exercise the proxy in respect of Resolutions 3 to 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 Chair 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 Company 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*
<b>2a</b> Re-Election of Director – Mr David Clarke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>4</b> Issue of service rights to Mr David Harrison – (Mandatorily deferred portion of Short-Term Incentive (STI) for FY22)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2b</b> Re-Election of Director – Ms Karen Moses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>5</b> Issue of performance rights to Mr David Harrison – (Long Term Incentive (LTI) for FY23)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2c</b> Re-Election of Director – Mr Greg Paramor AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<b>3</b> Adoption of Remuneration Report	<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 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).

STEP 3

CHC PRX2201N



## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company'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 Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair 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 CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair 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 Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com](http://www.linkmarketservices.com).

### 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 **2:30pm (Sydney time) on Monday, 14 November 2022**, 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

<https://investorcentre.linkgroup.com>

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



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

#### QR Code



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



#### BY MAIL

Charter Hall 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\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

or

Level 12  
680 George Street  
Sydney NSW 2000

\*during business hours Monday to Friday (9:00am - 5:00pm)