



The 2017 Annual General Meeting will be held:

Date Thursday 16 November 2017

Time 11.00am (AEDT)

Place LaTrobe Ballroom, Level 1
Sofitel Melbourne on Collins
25 Collins Street
Melbourne Victoria 3000

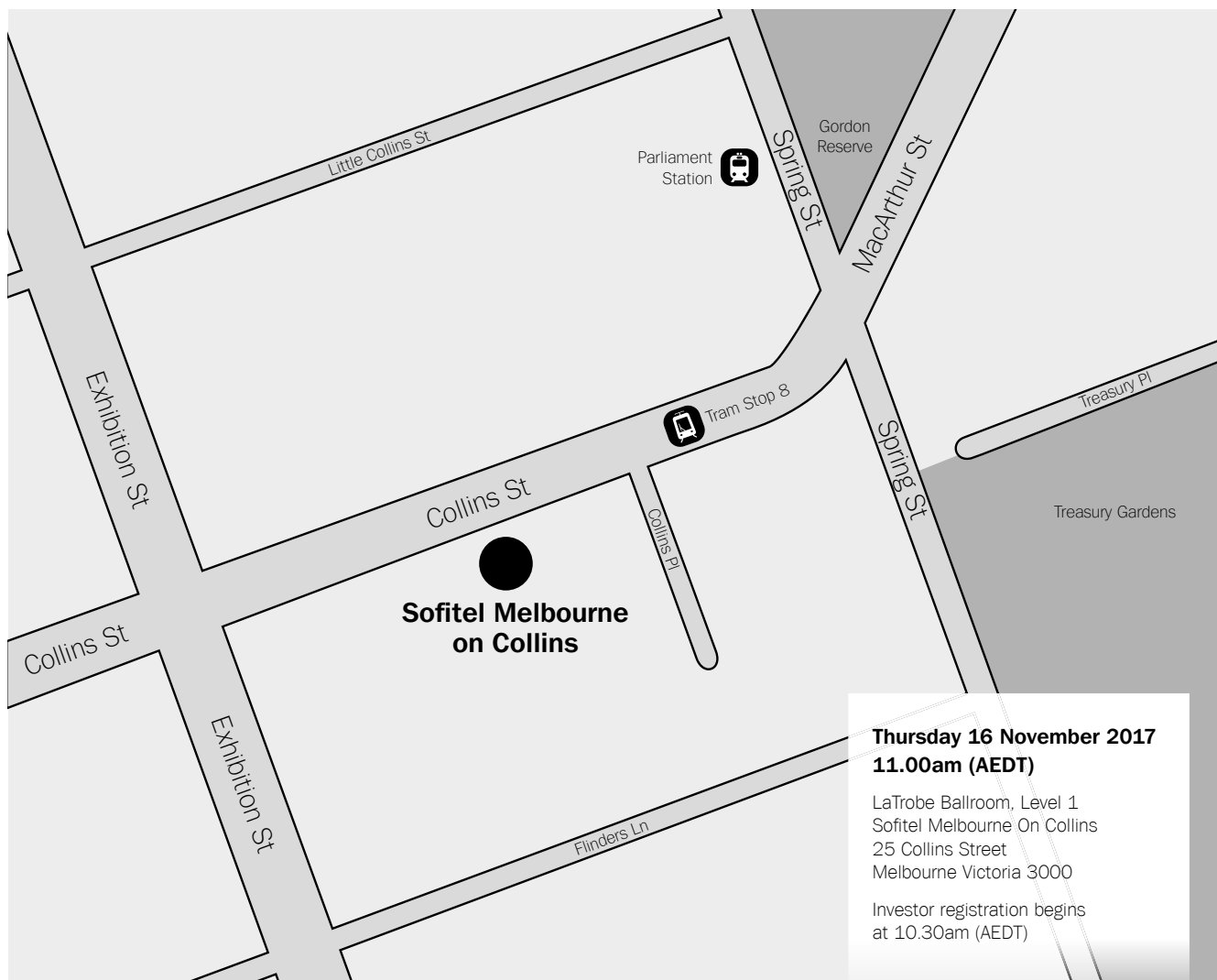
Investor registration begins at 10.30am (AEDT)

If you are unable to attend the Meeting, please complete the proxy form and return it in accordance with the instructions in the Notice of Meeting and on the proxy form.

Notice of Meeting and Explanatory Memorandum 2017



LOCATION OF ANNUAL GENERAL MEETING



View Meeting via webcast

The Meeting will be webcast live on Vicinity Centres' website at vicinity.com.au.

Access the 2017 Annual Report online

Investors are encouraged to read the 2017 Annual Report prior to the Meeting. The Annual Report can be viewed online or downloaded as a PDF from vicinity.com.au.

Ask a question at the Meeting

All Securityholders are able to ask questions at the Meeting or submit them prior to the Meeting. If you have a question you would like answered at the Meeting, please email it to investor.relations@vicinity.com.au before 5.00pm (AEDT) on Thursday 9 November 2017. We will endeavour to address as many of the more frequently raised questions as possible at the Meeting, having regard to available time. Please note that Vicinity will not respond to questions on an individual basis.

Additional information

In this notice, references to 'Vicinity', 'Group', 'we', 'us' and 'our' are to Vicinity Centres unless otherwise stated.

You should read this document in full. It contains important information to assist you in your voting decision. If you have any questions about the items of business, please contact Vicinity's Securityholder Information Line on +61 1300 887 890 between 8.30am and 5.30pm (AEDT) Monday to Friday (excluding public holidays).

A MESSAGE FROM THE CHAIRMAN

Dear Securityholder,

It is my pleasure to invite you to attend Vicinity Centres' 2017 Annual General Meeting, which will comprise the Annual General Meeting of Vicinity Limited and a meeting of the Unitholders of Vicinity Centres Trust to be held concurrently (the **Meeting**).

The Meeting will be held at Sofitel Melbourne on Collins, 25 Collins Street, Melbourne at 11.00am (AEDT) on Thursday 16 November 2017. If you are attending the Meeting, please bring your personalised proxy form and arrive from 10.30am onwards to register for the Meeting.

At the conclusion of the Meeting, I invite you to join the Board and management team for refreshments.

If you do not plan to attend the Meeting, we encourage you to submit your proxy electronically through the Security Registry's website linkmarketservices.com.au.

Other methods for proxy form submission are outlined on your proxy form or in note 7 of the Notice of Meeting. For your proxy form to be valid, you will need to ensure that it is received by no later than 11.00am (AEDT) on Tuesday 14 November 2017.

The Meeting will also be webcast live on the day on Vicinity's website vicinity.com.au.

The Boards of Vicinity Limited and Vicinity Centres RE Ltd as responsible entity for Vicinity Centres Trust (together, the **Board**) recommend that Securityholders vote in favour of each of the resolutions to be considered at the Meeting.

Enclosed is the Notice of Meeting which sets out the business to be dealt with at the Meeting and the associated Explanatory Memorandum.

The Chairman's address and the CEO and Managing Director's address to the Meeting will be available on Vicinity's website vicinity.com.au on the day of the Meeting.

FY17 overview

During the 2017 financial year, we focused on reinforcing Vicinity's strong platform for future growth. Portfolio quality was improved, our capital position was strengthened, we invested in networks, systems and capability to operate more effectively and gain deeper insights into our consumers' behaviours, and all outstanding key merger and integration activities were completed. We also continued to sharpen our emphasis on our consumers and our retailers, as we position Vicinity for further success in the evolving retail landscape.

Vicinity delivered statutory net profit after tax for FY17 of \$1,583.6 million which was underpinned by strong net property valuation gains of \$852.5 million.¹ Underlying earnings² for the period were \$741.8 million or 18.7 cents on a per security basis. Adjusting for acquisitions and divestments, comparable underlying earnings were up 4.6% on the prior year, supported by comparable net property income growth of 2.5% and lower net corporate overheads – a strong achievement in a soft retail environment.

Prudent capital allocation decisions and the divestment of interests in \$1.7 billion of assets over the past 24 months have put Vicinity in a strong capital position. At 30 June 2017, our gearing was 24.7%, our weighted average debt duration was 5.3 years and all debt expiring in FY18 had been repaid. Our success on portfolio enhancement initiatives and strengthening our balance sheet was acknowledged in January 2017, with Standard & Poor's raising Vicinity's credit rating to 'A' with a stable outlook.

In keeping with this active approach to capital management, in July 2017 we announced an on-market buy-back of up to 5% of Vicinity's ordinary securities on issue, to be undertaken at a price that is accretive to funds from operations (**FFO**) and net tangible assets (**NTA**), both on a per Stapled Security basis, while also preserving ample capacity to fund our other capital requirements. To date, over 35 million securities have been acquired and cancelled.

In August 2017, we announced a number of initiatives to further improve our capital position and support future growth. From FY18, Vicinity's primary earnings measure was revised from underlying earnings, which includes rent lost from undertaking developments, to FFO. Concurrently, the distribution payout ratio was set to 95% to 100% of adjusted funds from operations (**AFFO**), with an expected payout ratio of 100% in FY18.³ This change in distribution policy, will result in a lower distribution for FY18 than under the previous policy but is more sustainable over the long term and will support the future growth of Vicinity. We also announced the intended divestment of approximately \$300 million of non-core assets in FY18, as we continue to focus on improving the overall portfolio quality.

1. Calculated as the aggregate net valuation gain for the two six-month periods. The net valuation gain excludes statutory accounting adjustments and assets divested during each period.

2. For a reconciliation of underlying earnings to statutory net profit after tax, refer to note 1(b) on page 74 of the 2017 Annual Report.

3. Assuming no material deterioration to existing economic conditions.

The year ahead

Our focus in FY18 remains on building quality and strength across the business. Over the next 12 months we expect the retail environment to remain challenging. Across our portfolio we will continue to focus on creating the best tenant mix to enhance the retail experience, as well as generating additional income streams and driving further operational efficiencies.

In response to strong leasing demand, we will commence major tenant remixes at Chadstone and QueensPlaza. These projects will significantly improve the retail offer and growth potential of both assets, notwithstanding a short-term impact on FFO while works are completed. We will be progressing our development pipeline including the successful completion of Mandurah Forum, opening the first stage of the retail development at The Glen and advancing the DFO Perth project. We will also work through the intended divestment of approximately \$300 million of non-core assets during the period.

On capital management, we will continue to buy back Vicinity securities at a price that is accretive to FFO and NTA, both on a per Stapled Security basis, while also preserving ample capacity to fund other capital requirements. We will also look to extend our FY19 debt expiries.

CEO and Managing Director succession

In June 2017, our CEO and Managing Director, Mr Angus McNaughton announced his intention to retire with effect from 31 December 2017. Having been involved with the business for nearly 10 years, including his time with Novion Property Group (**Novion**) and its predecessor CFS Retail Property Trust Group, Angus stepped in to lead Vicinity through the integration of the merger between Novion and Federation Centres in August 2015, having previously been the CEO and Managing Director of Novion. On behalf of the Board, I thank Angus for his pivotal contribution in completing the successful integration of these two groups, delivering the anticipated synergies from the merger and creating a strong platform for the future. Angus departs Vicinity with the Board's highest regards.

After a global search, I am pleased to have announced the appointment of Mr Grant Kelley as the incoming CEO and Managing Director, with a planned commencement date of 1 January 2018. With global experience in real estate investment, corporate strategy, funds management and private equity, Grant will bring a strong strategic and analytical perspective to bear on the evolving Australian retail landscape. The Board is working with Angus and Grant to ensure a smooth transition.

Board renewal

The appropriate composition of the Board is continually under review. The Board made a commitment at the 2016 annual general meeting to reduce the number of Directors on the Board over a two-year period.

In support of the Board's commitment, Mr Richard Haddock AM retired from the Board in April 2017, and Mr Charles Macek and Ms Debra Stirling will both retire with effect from the conclusion of the Meeting. I would like to thank Richard, Charles and Debra for their commitment to Vicinity's Securityholders, their contribution to Board deliberations throughout their tenure and their support of the Board's succession and renewal objectives.

The Board has invited Ms Janette Kendall to commence as a Director in December 2017 as part of an ongoing process to ensure that Vicinity has Directors with relevant, contemporary experience and to round off the skills of the Board to include a technology and digital focus. Noting that Janette's appointment date falls after the date of the Meeting, she will stand for election by Securityholders at the 2018 annual general meeting.

Items 3(a) and (b) seek approval for the re-election of Non-executive Directors Mr Peter Kahan and Ms Karen Penrose in the ordinary course in accordance with the Company's constitutional requirements. The Board recommends that Securityholders vote in favour of each motion put to the meeting to re-elect Directors.

On behalf of my fellow Directors, I thank you for your continued support of Vicinity and look forward to seeing you on Thursday 16 November 2017.

Sincerely,



Peter Hay
Chairman

NOTICE OF MEETING

Vicinity Limited
ABN 90 114 757 783

Vicinity Centres Trust
ARSN 104 931 928

Responsible Entity
Vicinity Centres RE Ltd (the **RE**)
ABN 88 149 781 322

Notice is given that the Annual General Meeting of Vicinity Limited (the **Company**) and a meeting of the Unitholders in Vicinity Centres Trust (the **Trust**) will be held concurrently, at Sofitel Melbourne on Collins, 25 Collins Street, Melbourne on Thursday 16 November 2017 at 11.00am (AEDT).

Items of business

1. Financial reports

To receive and consider the financial reports of Vicinity Centres (comprising the Company and the Trust) and the reports of the Directors and Auditor for the year ended 30 June 2017.

2. Non-binding advisory vote on Remuneration Report

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

That the Remuneration Report for the Company for the financial year ended 30 June 2017 as contained in the Annual Report of Vicinity for the year ended 30 June 2017 be adopted.

Please note that this resolution is advisory only and does not bind the Directors of the Company.

3. Re-election of Directors of the Company

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

(a) *That Mr Peter Kahan being a Director who retires with effect from the conclusion of the Meeting and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.*

(b) *That Ms Karen Penrose being a Director who retires with effect from the conclusion of the Meeting and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.*

4. Approval of proposed equity grant to incoming CEO and Managing Director

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

That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval be given for the grant of performance rights to the incoming CEO and Managing Director of Vicinity Centres, Mr Grant Kelley, in accordance with the terms of the Vicinity Long Term Incentive Plan and as set out in the Explanatory Memorandum to this Notice of Meeting.

Please refer to the Explanatory Memorandum for more information on the items of business. The notes and the Explanatory Memorandum form part of this Notice of Meeting.

Voting exclusions

Item 2 (Non-binding advisory vote on Remuneration Report)

Vicinity will disregard any votes cast on item 2 (in any capacity) by or on behalf of:

- members of the key management personnel (KMP) named in the Remuneration Report for the year ended 30 June 2017; and
- closely related parties of those KMP,

as well as any votes cast as a proxy on this item by a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast as a proxy for a person entitled to vote on item 2:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise any votes cast as a proxy as the Chairman sees fit.

Item 4 (Approval of proposed equity grant to incoming CEO and Managing Director)

Vicinity will disregard any votes cast on item 4 (in any capacity):

- by or on behalf of Mr Grant Kelley and Mr Angus McNaughton (both being eligible to participate in the Vicinity Long Term Incentive Plan); and
- any of their associates,

as well as any votes cast as a proxy on this item by a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast as a proxy for a person entitled to vote on item 4:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise any votes cast as a proxy as the Chairman sees fit.

What this means for Securityholders

If you intend to appoint a member of the KMP as your proxy, please ensure that you direct them how to vote on items 2 and 4. Refer to note 7 for further details.

By order of the Board of Vicinity Limited



Michelle Brady
Company Secretary
25 September 2017

By order of the Board of Vicinity Centres RE Ltd as responsible entity of Vicinity Centres Trust



Michelle Brady
Company Secretary
25 September 2017

NOTES

1. Terminology and Glossary

A number of terms used in this Notice of Meeting (including the Explanatory Memorandum) and accompanying letter from the Chairman are defined in the Glossary at the end of the Explanatory Memorandum.

2. Stapling

The Shares and Units are stapled together under the respective constitutions of the Company and the Trust to form a Stapled Security. This means that all Securityholders are Shareholders in the Company and Unitholders in the Trust and each Securityholder holds the same number of Shares and Units.

3. Voting entitlement and joint holdings

The Directors of the Company and the RE have determined that, for the purposes of the Meeting, Stapled Securities will be taken to be held by the persons who are registered as Securityholders as at 7.00pm (AEDT) on Tuesday 14 November 2017. Accordingly, transfers registered after this time will be disregarded in determining entitlements to vote at the Meeting.

In the case of Stapled Securities held by joint holders, only the person whose name stands first in the register may vote.

4. Corporate representatives and attorneys

A body corporate that is a Securityholder, or which has been appointed to vote as a proxy, may appoint an individual to act as its representative at the Meeting. Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the respective constitutions of the Company and the Trust.

A Securityholder entitled to attend and vote may appoint an attorney to act on their behalf at the Meeting. An attorney need not be a Securityholder of the Company. Attorneys are requested to bring a copy of the power of attorney pursuant to which they were appointed.

Proof of identity will also be required for corporate representatives and attorneys.

5. Proxies

A Securityholder who is entitled to attend and vote at the Meeting may appoint a person as their proxy to attend and vote on their behalf (**Proxy Holder**). A Securityholder who is entitled to cast two or more votes may appoint up to two Proxy Holders and may specify the proportion or number of votes each Proxy Holder is entitled to exercise. A person appointed as a Proxy Holder need not be a Securityholder and may be either an individual or a body corporate. A Securityholder appointing a person as their Proxy Holder may direct the Proxy Holder to vote 'for', to vote 'against', or abstain from voting on each resolution, or may leave the decision to the Proxy Holder. Please refer to the proxy form for instructions on completion and lodgement.

Vicinity Centres encourages all Securityholders who submit proxy forms to direct their Proxy Holder how to vote on each resolution.

The Company's KMP (which includes each of the Directors and the other persons disclosed as KMP in the Remuneration Report) and their closely related parties will not be able to vote on items 2 and 4 as your Proxy Holder unless you direct them how to vote as follows:

- If you intend to appoint a member of the KMP (or one of their closely related parties) other than the Chairman of the Meeting as your Proxy Holder, you must ensure the person appointed as your proxy is directed how to vote on items 2 and 4.
- If you intend to appoint the Chairman of the Meeting as your Proxy Holder, you can direct the Chairman how to vote by marking the boxes for items 2 and 4 (for example, if you wish to vote for, against or abstain from voting) on the proxy form. If you choose not to mark any of the boxes for items 2 and 4, then by completing and returning the proxy form you will give the Chairman your express authority to exercise your proxy as the Chairman sees fit.

If you appoint two Proxy Holders to vote but do not specify a proportion or number of votes for each Proxy Holder to exercise, each Proxy Holder may exercise half of the votes. If you appoint two Proxy Holders to vote, neither Proxy Holder may vote on a show of hands if more than one Proxy Holder attends. On a poll, each Proxy Holder may only exercise votes in respect of those Stapled Securities or voting rights the Proxy Holder represents.

If you appoint a Proxy Holder, you may still attend the Meeting. However, your Proxy Holder's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy form if you register at the Meeting.

Any directed proxy forms that are not voted on a poll at the Meeting will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed.

Please note that proxy forms must be received at one of the addresses listed in note 7 below no later than 11.00am (AEDT) on Tuesday 14 November 2017.

6. How the Chairman intends to vote undirected proxies

The Chairman intends to vote undirected proxies in favour of each resolution.

7. Lodgement of proxy forms and authorities

Proxy forms and authorities should be sent to the Registrar of Vicinity Centres at the address specified on the enclosed reply paid envelope or to the address specified below:

Mail: Vicinity Centres
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Alternatively, proxy forms and authorities can be lodged as follows:

By facsimile: +61 2 9287 0309

Online: linkmarketservices.com.au
(as detailed on the proxy form)

In person: Between 9.00am and 5.00pm (AEDT)
Monday to Friday
(excluding public holidays) to Link Market Services Limited at:

Level 12, 680 George Street
Sydney NSW 2000
Australia

or

Tower 4, 727 Collins Street
Melbourne Victoria 3008
Australia

Securityholders should contact the Registrar of Vicinity Centres at the above address or on telephone number +61 1300 887 890 with any queries.

8. Questions to be put at the Meeting

All Securityholders are able to ask questions at the Meeting or submit them prior to the Meeting. If you have a question you would like answered at the Meeting, please email it to investor.relations@vicinity.com.au prior to 5.00pm (AEDT) on Thursday 9 November 2017. We will endeavour to address as many of the more frequently raised questions as possible at the Meeting, having regard to available time. Please note that Vicinity Centres will not respond to questions on an individual basis.

EXPLANATORY MEMORANDUM

Item 1 – Financial reports

The financial reports of Vicinity Centres (comprising the Company and the Trust) and the reports of the Directors and Auditor for the year ended 30 June 2017 are set out in the Annual Report. The Annual Report is available on Vicinity Centres' website vicinity.com.au.

Securityholders are not required to vote on the financial reports and the reports of the Directors and Auditors. However, Securityholders will be given a reasonable opportunity as a whole to raise questions or comments on the reports at the Meeting. There will also be an opportunity to ask questions of the Auditor.

In accordance with section 250PA(1) of the Corporations Act, Securityholders entitled to cast their vote at the Meeting may submit written questions to the Auditor relevant to the content of the Auditor's report or the conduct of the audit of the financial report of Vicinity Centres. A Securityholder wishing to submit a question to the Auditor should forward it to the Company Secretary at the following address by no later than 5.00pm (AEDT) on Thursday 9 November 2017:

Address: Company Secretary
Vicinity Centres
Level 4, Chadstone Tower One
1341 Dandenong Road
Chadstone Victoria 3148
Australia

Facsimile: +61 3 7001 4001 or
+61 2 8229 7705

Email: investor.relations@vicinity.com.au

A list of questions submitted to the Auditor will be made available to Securityholders attending the Meeting at or before the start of the Meeting. The Auditor is not obliged to provide written answers.

Item 2 – Non-binding advisory vote on Remuneration Report

The Remuneration Report for the Company is included in the Annual Report on pages 49 to 65.

The Remuneration Report discusses:

- the remuneration policy adopted by the Board;
- the links between the Board's policy and Vicinity's performance;
- the remuneration details for each of the Directors and KMP; and
- the Vicinity Short Term and Long Term Incentive Plans, including performance measures.

The Chairman will give Securityholders a reasonable opportunity as a whole to raise questions or comments on the Remuneration Report at the Meeting. Although this vote does not bind the Directors of the Company, the Board will take into account the outcome of the vote and any Securityholder feedback when reviewing its remuneration policies and practices.

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

The Board unanimously recommends that Securityholders vote in favour of this non-binding resolution.

Items 3(a) and 3(b) – Re-election of Directors of the Company

Under the terms of the Company's constitution, one-third of the Directors (excluding the Managing Director and any Director appointed by the Board since the last annual general meeting who is standing for election, and disregarding any fractions) must retire from office at each annual general meeting and may offer themselves for re-election.

Mr Charles Macek and Ms Debra Stirling will retire at the conclusion of the Meeting and will not stand for re-election. Mr Peter Kahan and Ms Karen Penrose have each volunteered to retire and offer themselves for re-election at the Meeting.

Vicinity has undertaken probity checks on each of the Directors standing for re-election and confirms that all information that Securityholders would consider relevant to a decision whether or not to re-elect the Director is contained in this Notice.

Information on each Director candidate is set out on the following page.

Additional information regarding Mr Peter Kahan's re-election

Mr Kahan previously held the position of Executive Deputy Chairman of The Gandel Group Pty Limited, a substantial Securityholder. With effect from 1 September 2017, Mr Kahan ceased as an employee of The Gandel Group and no longer has a commercial relationship with The Gandel Group.

Vicinity's Board considers any current office holdings or other associations with a substantial Securityholder of Vicinity as a factor when assessing a Director's independence.

The Board has carefully considered whether Mr Kahan's prior relationship with The Gandel Group might interfere, or might reasonably be seen to interfere, with his capacity to:

- bring an independent judgement to bear on issues before the Board; and
- act in the best interests of Vicinity and its Securityholders generally.

The Board considers that the interests of Vicinity's substantial Securityholders are aligned with those of Securityholders generally and notes that Mr Kahan has in fact demonstrated unequivocally his independence of thought, character and judgement throughout his time on the Board. The Board has consequently reached the conclusion that Mr Kahan is considered an independent Director.

The Board and Mr Kahan have also considered the potential for a conflict of interest to arise with respect to information that Mr Kahan may possess regarding Chadstone Shopping Centre (which is 50% owned by The Gandel Group). In this regard, any knowledge from Mr Kahan's prior role with The Gandel Group will be managed in accordance with Vicinity's regular conflicts of interest protocols.



Peter Kahan

BCOMM, BACC, CA, MAICD
Independent Non-executive Director

Appointed June 2015

Background and experience

Peter Kahan has a long career in property funds management, with prior roles including Executive Deputy Chairman, Chief Executive Officer and Finance Director of The Gandel Group. Mr Kahan was the Finance Director of The Gandel Group at the time of the merger between Gandel Retail Trust and Colonial First State Retail Property Trust in 2002. Prior to joining The Gandel Group in 1994, Mr Kahan worked as a Chartered Accountant and held several senior financial roles across a variety of industry sectors.

Mr Kahan is a member of the Audit Committee, the Remuneration and Human Resources Committee and the Nominations Committee.

Current directorships, executive positions and advisory roles

None.

Past Non-executive Directorships
(past three years)

Director: Novion Limited and Charter Hall Group.

The Board (other than Mr Kahan) unanimously recommends that Securityholders vote in favour of the re-election of Mr Kahan.



Karen Penrose

BCOMM (UNSW), CPA, FAICD
Independent Non-executive Director

Appointed June 2015

Background and experience

Karen Penrose has a strong background and experience in business, finance and investment banking, in both the banking and corporate sectors. Ms Penrose is a full-time Non-executive Director. Her prior executive career includes 20 years with Commonwealth Bank and HSBC and eight years as a Chief Financial Officer and Chief Operating Officer with two ASX listed companies.

Ms Penrose served Chief Executive Women (CEW) for six years as a member of CEW's Council and continues as a member of the advisory panel for CEW's Leaders Program.

Ms Penrose is Chairman of the Audit Committee and a member of the Risk and Compliance Committee.

Current directorships, executive positions and advisory roles

Director: AWE Limited, Spark Infrastructure Group, Future Generation Global Investment Company Limited (pro bono role), Bank of Queensland Limited and Marshall Investments Pty Limited.

Past Non-executive Directorships
(past three years)

Novion Limited, Silver Chef Limited and UrbanGrowth NSW.

The Board (other than Ms Penrose) unanimously recommends that Securityholders vote in favour of the re-election of Ms Penrose.

Item 4 – Approval of proposed equity grant to incoming CEO and Managing Director

Securityholder approval is sought for the proposed grant of Performance Rights to the incoming CEO and Managing Director of Vicinity, Mr Grant Kelley, upon his commencement, under the Vicinity Long Term Incentive Plan (**LTI Plan**) and on the terms set out below.

4.1 Grant of Performance Rights

If Securityholder approval is obtained, Performance Rights with a face value of \$1.875 million (representing 125% of total fixed remuneration) will be granted to Mr Kelley upon his commencement, as part of his remuneration package for the 2018 financial year. Each Performance Right entitles Mr Kelley to one Stapled Security at the end of the Performance Period, subject to:

- the satisfaction of the Performance Measures described in section 4.2 below; and
- a pro-rata allocation, reflecting Mr Kelley’s commencement date, as described in section 4.3 below.

The number of Performance Rights issued in accordance with the LTI Plan will be based on a face value methodology. The price used to calculate the number of Performance Rights to be issued will be the volume weighted average price (**VWAP**) of Stapled Securities for the 10 trading days commencing on the first trading day immediately following the Meeting (**VWAP Calculation Period**).

The actual number of Performance Rights will be derived by dividing the LTI grant face value of \$1.875 million by the VWAP over the VWAP Calculation Period. As the grant of Performance Rights forms part of Mr Kelley’s agreed remuneration for the 2018 financial year, the Performance Rights will be granted at no cost to Mr Kelley and no amount is payable on vesting of the Performance Rights. The Performance Rights will be granted under, and subject to, the rules of the LTI Plan. Performance Rights do not carry any distribution or voting rights prior to vesting.

If Securityholder approval is obtained, it is anticipated that the Performance Rights will be granted to Mr Kelley shortly following his commencement date of 1 January 2018, and in any case no more than 12 months after the date of the Meeting.

If Securityholder approval is not obtained, in order to appropriately remunerate the incoming CEO and Managing Director, the Board will provide alternative compensation to Mr Kelley (equivalent to the value the grant of the Performance Rights would have had at vesting had it been approved by Securityholders).

4.2 Performance Measures

The Performance Rights to be granted to Mr Kelley (if Securityholder approval is obtained) will be subject to the following two Performance Measures over the Performance Period:

- 50% of the Performance Rights will be subject to Vicinity achieving a relative Total Securityholder Return (**TSR**) target which measures and compares the TSR performance of Vicinity Centres against a Comparator Group; and
- the remaining 50% of the Performance Rights will be subject to Vicinity achieving a Total Return target over the Performance Period, which measures the extent to which Vicinity Centres efficiently manages to extract value from its assets.

If the Board determines that the Performance Measures have been satisfied at the end of the Performance Period, the Performance Rights granted to Mr Kelley will automatically vest. If the Performance Measures are not met at the end of the Performance Period, the Performance Rights will lapse. There is no re-testing of Performance Rights after the vesting date.

Relative TSR – Performance Measure (external hurdle)

The relative TSR component of the Performance Rights will vest if Vicinity’s relative TSR performance is above the median of the Comparator Group at the end of the Performance Period, in accordance with the following vesting schedule:

| Relative TSR ranking against the Comparator Group | % of Performance Rights subject to the relative TSR component that vest |
|---|---|
| At or above the 75th percentile | 100% |
| At or above the 51st percentile but below the 75th percentile | Pro-rata vesting from 51% to 100% |
| Below the 51st percentile | Nil |

The Board will have the discretion to adjust the Comparator Group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur with respect to the entities listed in the Comparator Group during the Performance Period.

The Board will determine the VWAP periods to be used to calculate the starting and closing Stapled Security price used to measure the TSR performance of Vicinity over the Performance Period.

Total Return – Performance Measure (internal hurdle)

The Total Return component of the Performance Rights will vest based on the Total Return of Vicinity during the Performance Period.

The Total Return will be calculated as follows:

$$\text{Total Return} = \frac{\text{Change in NTA value per Stapled Security (during the Performance Period)} + \text{Distributions per Stapled Security (during the Performance Period)}}{\text{NTA value per Stapled Security (at the beginning of the Performance Period)}}$$

Vesting of the Performance Rights based on Total Return will be determined as follows:

| Total Return Performance Measure outcome over the Performance Period | % of Performance Rights subject to the Total Return component that vest |
|---|--|
| Above 9.5% per annum | 100% |
| Between 9.0% to 9.5% per annum | Pro-rata vesting from 50% to 100% |
| Below 9.0% per annum | Nil |

One-off items (including transaction costs), unrealised foreign exchange movements and unrealised fair value adjustments to derivatives may be excluded from the Total Return calculation. The Board will have the discretion to adjust the Total Return outcome for intangible asset changes as it considers appropriate.

The Board will also have the discretion to adjust the Total Return Performance Measure to avoid inappropriate outcomes.

4.3 Vesting of Performance Rights

Following testing of the Performance Measures, any Stapled Securities allocated to Mr Kelley on vesting of the Performance Rights will be subject to a one-year trading lock and the clawback provisions of the LTI Plan. During the trading lock period, Mr Kelley will be entitled to receive dividends on the Stapled Securities and to vote in respect of those Stapled Securities.

Given Mr Kelley's commencement date of 1 January 2018, the number of Stapled Securities allocated to Mr Kelley on vesting will be pro-rated to reflect the number of days of the Performance Period that Mr Kelley has served.

4.4 Treatment of Performance Rights on cessation of employment

If, before the Performance Rights vest, Mr Kelley ceases employment by reason of resignation or termination for cause, all unvested Performance Rights will lapse, unless the Board determines otherwise.

If, before the Performance Rights vest, Mr Kelley ceases employment for any other reason (including death, total and permanent disablement, redundancy, genuine retirement from full-time employment or Vicinity giving the CEO and Managing Director notice), a pro-rata portion of the Performance Rights will:

- vest (calculated by reference to the portion of the Performance Period that has elapsed, and taking into consideration performance against the original Performance Measures, up until the date of cessation); or
- continue beyond cessation of employment in accordance with the terms of grant (including in relation to any Performance Measures and lapse or forfeiture conditions) except that any continuous service requirements will be deemed to have been waived, in accordance with the LTI Plan rules.

4.5 Treatment upon change of control

In the event of a takeover or change of control of Vicinity, any unvested Performance Rights may vest at the discretion of the incumbent Board having regard to the circumstances of the change of control, the performance achieved in the partial Performance Period and the time since grant.

EXPLANATORY MEMORANDUM continued

Other information

In relation to the LTI Plan:

- Vicinity's incumbent CEO and Managing Director, Mr Angus McNaughton, is the only Director, or associate of any Director, that is entitled to participate in the LTI Plan. Other than the incoming CEO and Managing Director, no other person referred to in ASX Listing Rule 10.14 is entitled to participate in the LTI Plan;
- Securityholder approval for issue of Performance Rights under the LTI Plan to Vicinity's incumbent CEO and Managing Director, Mr Angus McNaughton (which formed part of Mr McNaughton's FY17 remuneration package), was received at the 2016 annual general meeting. In accordance with Securityholder

approval received, Mr McNaughton was granted 528,820 Performance Rights under the FY17 LTI Plan at no cost to him. There have been no other grants to persons referred to in ASX Listing Rule 10.14 since that Securityholder approval;

- there is no loan scheme in relation to the Performance Rights or the LTI Plan;
- the incumbent CEO and Managing Director is, and the incoming CEO and Managing Director will be, prohibited from hedging the Stapled Security price exposure in respect of the Performance Rights during the Performance Period and the following one-year holding lock period; and

- if Securityholder approval is given for the issue of the Performance Rights under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

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

The Board (other than Mr McNaughton) unanimously recommends that Securityholders vote in favour of this resolution.

5. Glossary

| Term | Definition |
|------------------------|---|
| Annual General Meeting | The 2017 Annual General Meeting of the Company to be held on 16 November 2017 at 11.00am (AEDT) at Sofitel Melbourne on Collins, 25 Collins Street, Melbourne, Victoria 3000. |
| Annual Report | The annual report of Vicinity Centres including: (a) the financial reports of Vicinity Centres; (b) the reports of the Directors and Auditor; and (c) the Remuneration Report, for the year ended 30 June 2017. |
| ASX | The Australian Securities Exchange. |
| ASX Listing Rule | An official listing rule of the ASX. |
| Auditor | Ernst & Young ABN 75 288 172 749. |
| Board | When referred to in the context of: (a) the Company, means the board of the Company; (b) the Trust, means the board of the RE; and (c) Vicinity Centres, means the boards of both the Company and the RE acting as a co-ordinated board. |

| Term | Definition |
|-----------------------------|--|
| Closely related party | A 'closely related party' of a member of the KMP of the Company is defined in the Corporations Act and includes a member's spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP. |
| Company | Vicinity Limited ABN 90 114 757 783. |
| Comparator Group | The S&P/ASX 200 A-REIT Index (excluding Westfield Corporation) as at the date of the offer. |
| Corporations Act | <i>Corporations Act 2001 (Cth)</i> . |
| Director | When referred to in the context of: (a) the Company, means a director of the Company; and (b) the Trust, means a director of the RE. |
| KMP | Key management personnel, as defined in section 9 of the Corporations Act, which includes each of the Directors and the other persons disclosed as KMP in the Remuneration Report for the year ended 30 June 2017. |
| LTI | Long term incentive. |
| LTI Plan | The Vicinity Long Term Incentive Plan, formerly known as Vicinity Performance Reward Plan – Long. |
| Meeting | When referred to in the context of: (a) the Company, means the Annual General Meeting; and (b) the Trust, means the meeting of Unitholders to be held concurrently with the Company Annual General Meeting. |
| Merger | The merger between Federation Centres and Novion Property Group which was implemented on 11 June 2015. |
| Notice or Notice of Meeting | This notice of meeting which contains the notes and the Explanatory Memorandum. |
| NTA | Net tangible assets. |
| Performance Measures | The two performance measures set out in section 4.2 of the Explanatory Memorandum, each of which is a Performance Measure. |

EXPLANATORY MEMORANDUM continued

| Term | Definition |
|------------------------------|--|
| Performance Period | The three-year period from 1 July 2017 until 30 June 2020. |
| Performance Right | A performance right to acquire fully paid stapled securities in Vicinity under the terms of the LTI Plan. |
| RE | Vicinity Centres RE Ltd ABN 88 149 781 322, which is the responsible entity of the Trust. |
| Remuneration Report | The remuneration report for the Company for the financial year ended 30 June 2017 as contained in the Annual Report. |
| Securityholder | A holder of a Stapled Security. |
| Share | A share in the Company. |
| Shareholder | A holder of a Share. |
| Stapled Security | A Share in the Company and a Unit in the Trust which are stapled together and trade as Vicinity Centres (ASX:VCX) so that one may not be dealt with without the other. |
| Total Return | The amount calculated using the formula set out in section 4.2 of the Explanatory Memorandum. |
| Trust | Vicinity Centres Trust ARSN 104 931 928. |
| TSR | Total Securityholder Return. Refer to section 4.2 of the Explanatory Memorandum. |
| Unit | A unit in the Trust. |
| Unitholder | A holder of a Unit. |
| Vicinity or Vicinity Centres | The Company and the Trust, stapled together and listed on the ASX as Vicinity Centres (ASX:VCX). |
| WAP | Volume weighted average price. |



vicinity.com.au



Vicinity Limited ABN 90 114 757 783 and
 Vicinity Centres RE Ltd ABN 88 149 781 322
 as responsible entity for
 Vicinity Centres Trust ARSN 104 931 928

LODGE YOUR VOTE

ONLINE
 www.linkmarketservices.com.au

BY MAIL
 Vicinity Centres
 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
 Level 12, 680 George Street, Sydney NSW 2000; or
 Tower 4, 727 Collins Street, Melbourne Victoria 3008

ALL ENQUIRIES TO
 Telephone: +61 1300 887 890



X99999999999

PROXY FORM

I/We being a Securityholder(s) of Vicinity Centres 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 Vicinity Limited and a meeting of the Unitholders in Vicinity Centres Trust, to be held concurrently at **11.00am (AEDT) on Thursday 16 November 2017 at LaTrobe Ballroom, Level 1, Sofitel Melbourne On Collins, 25 Collins Street, Melbourne** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for items 2 and 4: 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 items 2 and 4, even though those items are connected directly or indirectly with the remuneration of a member of Vicinity Centres' Key Management Personnel (KMP).

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

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

Items of business

| | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 2 Non-binding advisory vote on Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3(a) Re-elect Peter Kahan as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3(b) Re-elect Karen Penrose as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of proposed equity grant to incoming CEO and Managing Director | <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).

V CX PRX1701C



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

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 items 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 they choose. 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 Vicinity Centres' 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 Securityholder 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 unless it has previously been provided to Vicinity Centres and not revoked. 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" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from Vicinity Centres' security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This proxy form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00am (AEDT) on Tuesday 14 November 2017**, 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

Login to the Link website using the holding details as shown on the front of this 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

Vicinity Centres
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*
at
Level 12
680 George Street
Sydney NSW 2000
or
Tower 4
727 Collins Street
Melbourne Victoria 3008

* 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.**