



Arena REIT

Notice of Annual General Meeting & Explanatory Memorandum 2018

Date of Meeting:

Tuesday 20 November 2018

Time of meeting:

10.00am (AEDT)

Investor registration:

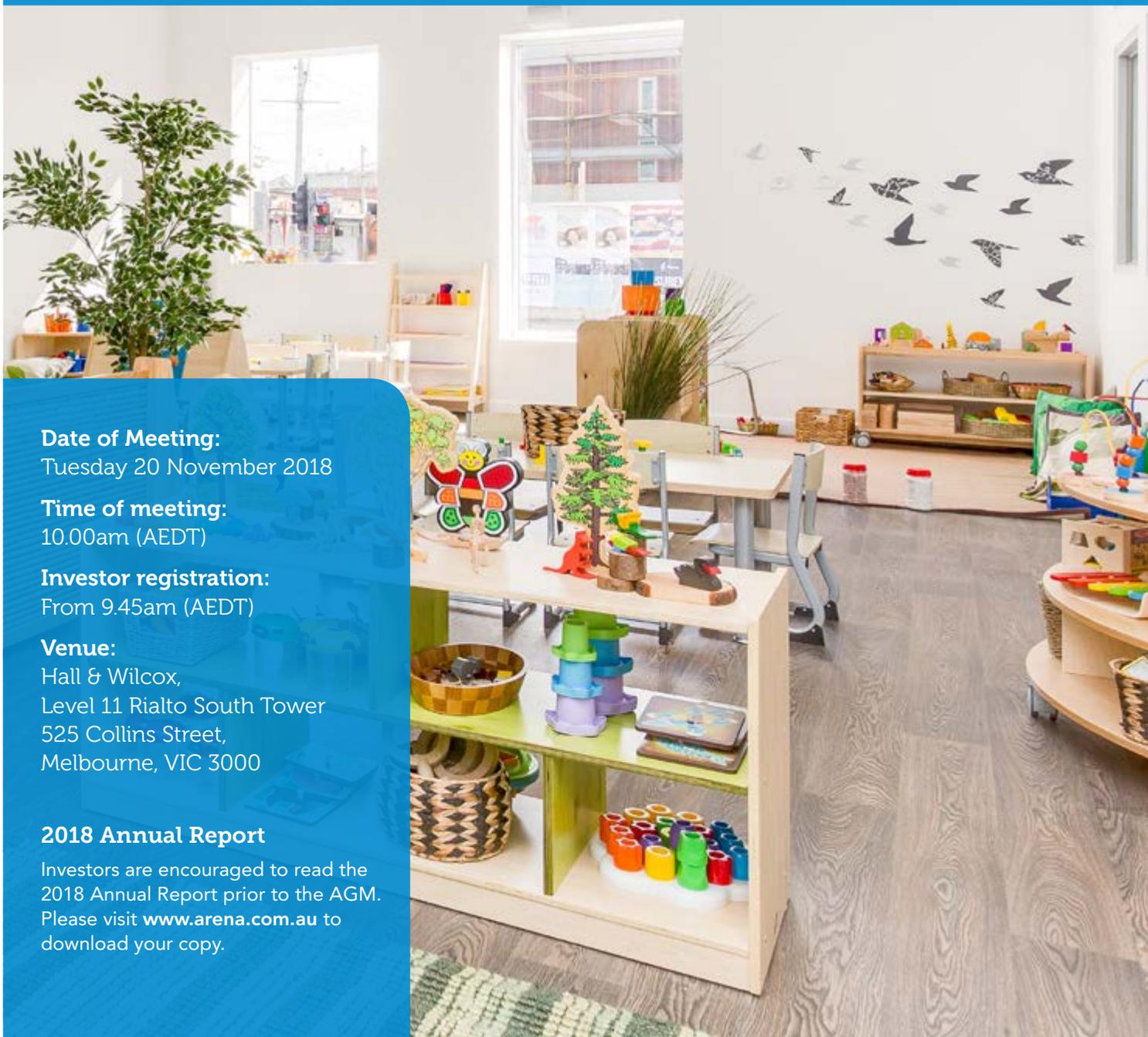
From 9.45am (AEDT)

Venue:

Hall & Wilcox,
Level 11 Rialto South Tower
525 Collins Street,
Melbourne, VIC 3000

2018 Annual Report

Investors are encouraged to read the 2018 Annual Report prior to the AGM. Please visit www.arena.com.au to download your copy.



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Further information

If you have any questions regarding this document, please contact the toll free Information Line on 1800 008 494 (within Australia) or +61 3 9093 9000 (outside Australia) between 9.00am and 5.00pm (AEDT) Monday to Friday.

Alternatively, you may also contact your financial, legal, taxation or other professional adviser.

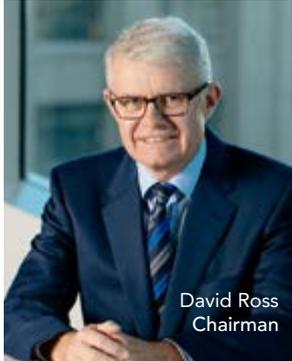
✓ How to vote

To vote, eligible Securityholders should either:

- 1. Attend the Meeting** on 20 November 2018 and vote in person.
- 2. Vote online:** www.votingonline.com.au/ARFAGM2018 prior to 10.00am (AEDT) Sunday 18 November 2018.
- 3. Lodge a proxy form** by mail, fax or in person to Boardroom and ensure it is received by 10.00am (AEDT) 18 November 2018.

Please refer to page 6 for further details regarding how to vote.

Chairman's introduction



David Ross
Chairman

Dear Investor

I am pleased to invite you to attend the annual general meeting of shareholders in Arena REIT Limited (**the Company**) and the general meetings of unitholders in Arena REIT No. 1 and Arena REIT No. 2 (together, **the Trusts**), which together constitute Arena REIT's 2018 Annual General Meeting (**AGM**) of Securityholders.

The AGM will be held at Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne on Tuesday 20 November 2018 at 10.00am (AEDT). Enclosed are the Notice of Meeting, the accompanying Explanatory Memorandum explaining the formal business of the meeting and a personalised voting and proxy form.

In conjunction with this Notice of Meeting, Arena REIT has also published its 2018 Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2018.

If you have elected to receive the 2018 Annual Report by post, a copy of it will accompany this Notice of Meeting. The report is also available on the Arena website (www.arena.com.au) and we encourage you to view it online ahead of the AGM.

The AGM will commence with an introductory presentation from me, followed by a presentation from Bryce Mitchelson, the Managing Director, who will provide an overview of the recent operating performance of Arena REIT. This will be followed by the formal items of business and, finally, an opportunity for Securityholders to ask general questions at the end of the meeting. You may also submit questions up to a week prior to the meeting by visiting www.arena.com.au/AGMquestions2018.

The formal part of the meeting is to consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2018 (as contained in the 2018 Annual Report), to vote on the Remuneration Report, the re-appointment of Mr Dennis Wildenburg as a non-executive director and the grant of deferred short term incentive rights and long term incentive performance rights to the Managing Director and Chief Financial Officer.

The Independent Directors unanimously recommend that you vote in favour of all resolutions. The voting results of the AGM will be announced to the ASX following the conclusion of the AGM.

I look forward to seeing those Securityholders who are able to attend on 20 November 2018. At the conclusion of the AGM, the Board and senior executives will be available to meet with you over refreshments.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'David Ross'. The signature is written in a cursive, slightly stylized font.

David Ross, Chairman

27 September 2018

Notice of Annual General Meeting

Annual General Meeting of Arena REIT Limited and General Meeting of Arena REIT No.1 and General Meeting of Arena REIT No.2 (together **Arena REIT**)

Notice is given that a meeting of shareholders in Arena REIT Limited (**the Company**, ACN 602 365 186) will be held in conjunction with meetings of unitholders in trusts Arena REIT No.1 and Arena REIT No.2 (**the Trusts**) and together, these three simultaneous general meetings will constitute the AGM of Arena REIT, as follows:

Time: 10.00 am (AEDT)

Date: Tuesday 20 November 2018

Venue: Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne Victoria

Arena REIT Management Limited (ACN 600 069 761, AFSL 465754) (**Responsible Entity**) is the responsible entity of the Trusts.

Business of the Meeting

The business to be considered at the AGM is as follows:

Ordinary Business

Financial Reports

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

Resolution 1 – Non-binding advisory vote on the Remuneration Report

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

'That the Remuneration Report for the financial year ended 30 June 2018 be adopted.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Other Business

Resolution 2 – Re-election of Mr Dennis Wildenburg as a director of the Company

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

'That Mr Dennis Wildenburg, who in accordance with ASX Listing Rules 14.4 and 14.5 and, being eligible, offers himself for re-election, be re-elected as a director of the Company.'

Resolution 3 – Grant of deferred short term incentive rights to Mr Bryce Mitchelson

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

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Bryce Mitchelson, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum

Resolution 4 – Grant of long term incentive performance rights to Mr Bryce Mitchelson

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

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Bryce Mitchelson, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Resolution 5 – Grant of deferred short term incentive rights to Mr Gareth Winter

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

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the chief financial officer and an executive director of the Responsible Entity, Mr Gareth Winter, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Resolution 6 – Grant of long term incentive performance rights to Mr Gareth Winter

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

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the chief financial officer and an executive director of the Responsible Entity, Mr

Gareth Winter, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Notes

Chair

Under the Corporations Act, Arena REIT is entitled to appoint a person to chair the AGM. The Responsible Entity and board of the Company intend to appoint Arena REIT's Independent, Non-executive Chairman, Mr David Ross, to act as chair of the AGM (**Chair**) in accordance with sections 249U and 252S of the Corporations Act.

Quorum

The quorum required at the AGM is at least two Securityholders in person or by proxy. No business other than the election of the Chair (if applicable) and the adjournment of a meeting may be transacted at a meeting unless a quorum is present. If the quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting will be adjourned as the Chair directs.

Required majority

Resolutions 2, 3, 4, 5 and 6 are all ordinary resolutions, and therefore will be passed if more than 50% of the votes cast by Securityholders present (in person or by representative or proxy) and eligible to vote are cast in favour of each resolution.

Voting exclusion statement

The Chair will disregard any votes cast by a person who is not entitled to vote according to section 253E of the Corporations Act. This section provides that the Responsible Entity and its associates are not entitled to vote on a resolution if they have an interest in the resolution, other than as a Securityholder. The Chair will not, however, disregard a vote if it is cast by the Responsible Entity or one of its associates as proxy for a person who is entitled to vote, if their proxy appointment specifies the way they are to vote and they vote that way. For specific voting exclusion statements, please refer to the Explanatory Memorandum.

Voting in person by an individual

To vote in person, you are required to attend the AGM on 20 November 2018 or any adjournment of the AGM. Please arrive 15 minutes prior to the start of the AGM to facilitate the registration process.

Voting by a company

In order to vote at the AGM, a corporate Securityholder may either appoint a proxy or appoint an individual as its corporate representative to exercise its powers.

All appointed corporate representatives should either lodge with Arena REIT's registry, Boardroom Pty Limited, before the AGM, or bring to the AGM, evidence of their appointment, including any signed authority. Any corporate Securityholder wishing to appoint a proxy should refer to sections on 'Voting by proxy', below, and 'How to vote', overleaf.

Voting by proxy

Each Securityholder entitled to vote at the AGM has a right to appoint a proxy to attend and vote on their behalf. A proxy does not need to be a Securityholder, and you may appoint the Chair of the AGM as your proxy. A Securityholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. However, if no proportion or number is specified, then each proxy may exercise half of the Securityholder's votes. If a Securityholder returns an undirected proxy form and the Chair is appointed as their proxy, then the Chair will vote in favour of each resolution.

The proxy form, which accompanies this Notice of Annual General Meeting, includes instructions on how to vote and appoint a proxy. To be valid, Arena REIT's registry, Boardroom Pty Limited, must receive your proxy form by no later than 10.00 am (AEDT) on Sunday 18 November 2018 via mail, online, fax or in person.

Results

The voting results of the AGM will be released to the ASX following the AGM.

How to vote

By Proxy

Online:

Step 1: Visit www.votingonline.com.au/ARFAGM2018

Step 2: Enter your Postcode or Country of Residence (if outside Australia)

Step 3: Enter your voting access code (VAC)

By mail:

Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001, Australia

By fax:

+ 61 2 9290 9655

In person:

Boardroom Pty Limited
Level 12, 225 George Street, Sydney NSW 2000

or

Level 7, 333 Collins Street, Melbourne VIC 3000

If voting by proxy, for your vote to be effective your proxy form must be received before 10.00am (AEDT) on Sunday 18 November 2018.

At the meeting

Tuesday 20 November 2018
10.00am (AEDT)

Hall & Wilcox, Level 11 Rialto South Tower
525 Collins Street, Melbourne Victoria

Investor registration commences at 9.45am (AEDT).

Voting entitlement

Securityholders registered as holders of stapled Securities in Arena REIT (comprising units in the Trusts and shares in the Company) as at 10.00am (AEDT) on Sunday 18 November 2018 will be entitled to attend and vote at the AGM (subject to any voting exclusion).

The Responsible Entity and its associates are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a Securityholder in accordance with section 253E of the Corporations Act.

Corporate representatives

A company wishing to appoint a person to act as its representative at the AGM must provide that person with a letter executed in accordance with the company's constitution and the Corporations Act authorising him or her to act as the Securityholder's representative. A 'Certificate of Appointment of Representative' may be obtained from Arena REIT's registry, Boardroom Pty Limited.

Additional information concerning the proposed resolutions is contained in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

Issued by Arena REIT Management Limited (ACN 600 069 761) as the responsible entity of Arena REIT No.1 and Arena REIT No.2 and the board of Arena REIT Limited (ACN 602 365 186).

Explanatory Memorandum

This Explanatory Memorandum forms part of the 2018 Notice of Annual General Meeting and contains information about the resolutions. You should read the Notice of Meeting and this Explanatory Memorandum carefully.

Ordinary Business

Financial Reports

The Arena REIT 2018 Annual Report includes the Financial Report (which includes financial statements and the directors' declaration), the Directors' Report, and the Auditor's Report, and has been prepared and provided to those Securityholders who have elected to receive it. A copy of the Arena REIT 2018 Annual Report is also available online to download at www.arena.com.au.

Securityholders are not required to approve the Financial Report, the Directors' Report or the Auditor's Report. During this item of business, however, Securityholders will be given a reasonable opportunity to ask questions or make comments on the reports at the meeting.

Arena REIT's external auditor, PricewaterhouseCoopers (Auditor), will be present and also available to answer questions relevant to the conduct of the audit, including the independence of the Auditor, the preparation of the Auditor's Report and accounting policies adopted in relation to the preparation of the financial statements.

Securityholders may also submit written questions to the Auditor regarding the content of the audit report or the conduct of the audit process. A list of those relevant written questions will be made available to Securityholders who attend the AGM. A Securityholder wishing to submit a question to the Auditor should visit www.arena.com.au/AGMquestions2018 no later than 5.00pm (AEDT) on Tuesday 13 November 2018.

Schedule of voting exclusions

The Chair of the AGM will disregard any votes cast as follows:

Resolution No.	Resolution description	Who is excluded from voting in favour
1	Non-binding advisory vote on the Remuneration Report	<ul style="list-style-type: none"> Members of the KMP (being the directors and the other key management personnel as disclosed in the Remuneration Report) An associate of those persons

Resolution No.	Resolution description	Who is excluded from voting in favour
2	Re-election of Mr Dennis Wildenburg as a director of the Company	<ul style="list-style-type: none"> No exclusions
3 and 5	Grant of deferred short term incentive (STI) rights	<ul style="list-style-type: none"> Mr Bryce Mitchelson Any associate of Mr Bryce Mitchelson Mr Gareth Winter Any associate of Mr Gareth Winter
4 and 6	Grant of long term incentive (LTI) performance rights	<ul style="list-style-type: none"> Mr Bryce Mitchelson Any associate of Mr Bryce Mitchelson Mr Gareth Winter Any associate of Mr Gareth Winter

Note: the Chair of the AGM need not disregard a vote in respect of any resolutions if:

- it is cast by a person (including the Chair of the AGM) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person who is Chair of the AGM as proxy for a person who is entitled to vote, where the proxy form does not specify the way the proxy is to vote on that resolution but expressly authorises the Chair of the AGM to exercise the proxy, even if that resolution is connected directly with the remuneration of a member of the Key Management Personnel (KMP).

Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the board of the Company is presenting Arena REIT's Remuneration Report for the year ended 30 June 2018 to Securityholders for consideration and adoption by a non-binding vote.

The vote on this resolution is advisory only, and does not bind the board of the Company.

The Remuneration Report is included in the Arena REIT Annual Report 2018 and commences on page 22. The Remuneration Report describes Arena REIT's

Explanatory memorandum continued

remuneration arrangements for KMP for the period ended 30 June 2018, including:

- the remuneration framework adopted by the Board;
- remuneration details for each independent director and executive KMP; and
- Arena REIT's Short Term Incentive and Long Term Incentive Plans, including performance measures.

The Chair will give Securityholders an opportunity to ask questions about or make comments on the Remuneration Report. Although this vote does not bind the Directors, the Board intends to take into account the outcome of the vote and any Securityholder feedback when reviewing its remuneration policies and practices.

Voting exclusion statement

The Chair of the AGM will disregard any votes cast in **favour** of Resolution 1 as noted in the schedule of voting exclusions.

The Chair of the AGM intends to vote all open proxies in favour of this resolution.

Other Business

Resolution 2 – Re-election of Mr Dennis Wildenburg as a director of the Company



Mr Wildenburg was appointed as a director of the Company on incorporation on 16 October 2014 and was re-elected to that position at the Annual General Meeting held on 19 November 2015. In accordance with ASX Listing Rule 14.4, Mr Wildenburg offers himself for re-election

as a director of the Company.

Mr Wildenburg has over 35 years of experience in the financial services, funds management and property industries. His former roles include Director of MLC Funds Management Limited, member of the Lend Lease Group board that managed GPT and Associate Director of Hill Samuel Australia Limited (now Macquarie Group Limited).

Mr Wildenburg is a member of Chartered Accountants Australia and New Zealand in Australia, a Fellow of the Australian Institute of Company Directors (**FAICD**) and has served on the Board of Property Funds Australia and the Investments Committee of the Mirvac PFA Diversified Property Trust.

Mr Wildenburg is the Chair of the Arena REIT Audit Committee and a member of the Arena REIT Remuneration and Nomination Committee.

Other current directorships: Investa Wholesale Funds Management Limited, ICPF Holdings Limited, Investa Office Management Holdings Pty Ltd .

Former directorships in last three years: None.

The Chair of the AGM intends to vote all open proxies in favour of this resolution.

Resolution 3 – Grant of deferred short term incentive rights to Mr Bryce Mitchelson

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of deferred short term incentive rights to the Managing Director, Mr Bryce Mitchelson, in accordance with the terms of Arena REIT's Deferred Short Term and Long Term Incentive Plan (**the Plan**) as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in **favour** of Resolution 3 as noted in the Schedule of voting exclusions.

The Chair of the AGM intends to vote all open proxies in favour of resolution 3.

Resolution 4 – Grant of long term incentive performance rights to Mr Bryce Mitchelson

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of long term incentive performance rights to the Managing Director, Mr Bryce Mitchelson, in accordance with the terms of the Plan as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in **favour** of Resolutions 4 as noted in the Schedule of voting exclusions.

The Chair of the AGM intends to vote all open proxies in favour of resolution 4.

Resolutions 5 – Grant of deferred short term incentive rights to Mr Gareth Winter

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of deferred short term incentive rights to the chief financial officer and executive director, Mr Gareth Winter, in accordance with the terms of the Plan as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast

in **favour** of Resolution 5 as noted in the Schedule of voting exclusions.

The Chair of the AGM intends to vote all open proxies in favour of resolution 5.

Resolution 6 – Grant of long term incentive performance rights to Mr Gareth Winter

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the grant of long term incentive performance rights to the chief financial officer and executive director, Mr Gareth Winter, in accordance with the terms of the Plan as summarised in Annexure A.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast in **favour** of Resolution 6 as noted in the Schedule of voting exclusions.

The Chair of the AGM intends to vote all open proxies in favour of resolution 6.

If Securityholder approval is not obtained in relation to any of Resolutions 3, 4, 5 or 6, in order to appropriately remunerate Mr Mitchelson and Mr Winter, the Board may consider providing alternative remuneration (equivalent to the value of the rights or performance rights at vesting had the resolution been approved by Securityholders), but the Board would only do so to the extent that the applicable conditions or performance measures were satisfied.

Annexure A – Summary of key terms of Deferred STI Rights and LTI Performance Rights

The key features of the rights proposed to be granted to Mr Mitchelson and Mr Winter are summarised in the table below. This information is relevant to Resolutions 3, 4, 5 and 6 of this Notice of Meeting.

Deferred STI Rights

Maximum number of Deferred STI Rights that may be granted	Mr Bryce Mitchelson Managing Director & CEO 66,970 Deferred STI Rights Deferred STI Grant Value \$147,333	Mr Gareth Winter Executive Director & CFO 36,818 Deferred STI Rights Deferred STI Grant Value \$81,000
	The maximum number of Deferred STI Rights is calculated as the Deferred STI grant value divided by the volume weighted average price of Arena REIT Stapled Securities for the 15 trading days prior to 1 July 2018 (on an ex-distribution basis) being \$2.20.	
Why are Deferred STI Rights being granted?	The Deferred STI Rights are being granted following an assessment by Arena REIT's Remuneration and Nomination Committee (comprising the Independent Directors) of executive performance against business plan objectives as described in the Remuneration Report contained within Arena REIT's FY18 Annual Report.	
Vesting conditions	Deferred STI Rights will vest at the end of the Vesting Period unless the Independent Directors in their absolute discretion determine otherwise.	
Vesting Period	Deferred STI Rights are subject to a 12 month vesting period ending on 1 July 2019.	
Allocation of Stapled Securities	Each vested Deferred STI Right entitles the holder to one Security plus an additional number of Securities calculated on the basis of the distribution entitlement of those Securities (as announced to the ASX) over the vesting period calculated as the number of Securities that would have been acquired if the Distributions were reinvested in Securities applying the rules of the Arena REIT Dividend and Distribution Reinvestment Plan.	
Change in Control	In the event of a change of control transaction or any proposed transaction that the Board in its discretion determines should be treated as a change of control, unvested Deferred STI Rights will vest at the time of the event (unless the Board determines another treatment in its discretion).	

Explanatory memorandum

continued

Annexure A – Summary of key terms of Deferred STI Rights and LTI Performance Rights (continued)

Deferred STI Rights (continued)

Other required information	<p>Mr Mitchelson and Mr Winter are the only persons referred to in ASX Listing Rule 10.14 who are entitled and eligible to participate in the Plan at the discretion of the Board.</p> <p>Approvals were last received at the 2017 AGM for the grant of LTI Performance Rights to Mr Mitchelson. In accordance with that approval 193,885 LTI Performance Rights were granted. No amount was payable on the grant of the performance rights or will be payable if the performance rights vest. As at the date of this meeting, none of the performance rights have vested.</p> <p>Approvals were last received at the 2017 AGM for the grant of LTI Performance Rights to Mr Winter. In accordance with that approval 120,805 LTI Performance Rights were granted. No amount was payable on the grant of the performance rights or will be payable if the performance rights vest. As at the date of this meeting, none of the performance rights have vested.</p>
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LTI Performance Rights

Maximum number of LTI Performance Rights that may be granted	<p>Mr Bryce Mitchelson Managing Director & CEO 222,638 LTI Performance Rights LTI grant value \$297,222</p>	<p>Mr Gareth Winter Executive Director & CFO 140,450 LTI Performance Rights LTI grant value \$187,500</p>												
	The maximum number of LTI Performance Rights is calculated as the LTI grant value divided by the independent valuation of an LTI Performance Right performed by Ernst & Young being \$1.34.													
Why are LTI Performance Rights being granted?	LTI Performance Rights are being granted as part of the remuneration of Mr Mitchelson (25% of total remuneration opportunity) and Mr Winter (25% of total remuneration opportunity).													
Summary of performance conditions	<p>Hurdle 1: Distributable Income per Security Weighting: 50%</p> <table border="1"> <tr> <td>FY21 Distributable Income per Security</td> <td>Hurdle 1 Component Vesting</td> </tr> <tr> <td>Below 14.3 cents per security</td> <td>0% Vesting</td> </tr> <tr> <td>Between 14.3 cents and 15.0 cents</td> <td>Progressive pro-rata vesting between 50% vesting (at 14.3 cents) and 100% vesting at 15.0 cents or above.</td> </tr> </table>	FY21 Distributable Income per Security	Hurdle 1 Component Vesting	Below 14.3 cents per security	0% Vesting	Between 14.3 cents and 15.0 cents	Progressive pro-rata vesting between 50% vesting (at 14.3 cents) and 100% vesting at 15.0 cents or above.	<p>Hurdle 2: Relative Total Shareholder Return Weighting: 50%</p> <table border="1"> <tr> <td>Percentile Ranking</td> <td>Hurdle 2 Component Vesting</td> </tr> <tr> <td>Below 50th percentile</td> <td>0% Vesting</td> </tr> <tr> <td>50th percentile and above</td> <td>Progressive pro-rata vesting from the 50% percentile with 100% vesting at 75th percentile or higher</td> </tr> </table>	Percentile Ranking	Hurdle 2 Component Vesting	Below 50th percentile	0% Vesting	50th percentile and above	Progressive pro-rata vesting from the 50% percentile with 100% vesting at 75th percentile or higher
FY21 Distributable Income per Security	Hurdle 1 Component Vesting													
Below 14.3 cents per security	0% Vesting													
Between 14.3 cents and 15.0 cents	Progressive pro-rata vesting between 50% vesting (at 14.3 cents) and 100% vesting at 15.0 cents or above.													
Percentile Ranking	Hurdle 2 Component Vesting													
Below 50th percentile	0% Vesting													
50th percentile and above	Progressive pro-rata vesting from the 50% percentile with 100% vesting at 75th percentile or higher													
What is Relative TSR?	Relative TSR performance is determined based on Arena REIT's total ASX return (assuming distributions are reinvested) ranking against the constituents of the comparator group over the performance period. The comparator group is A-REITs in the S&P/ASX 300 Accumulation Index at the date of the grant.													
Performance Period	LTI Performance Rights are subject to a 3 year performance period commencing on 1 July 2018 and ending on 30 June 2021.													

LTI Performance Rights (continued)

Other vesting conditions	The Board has discretion to adjust vesting conditions and/or performance outcomes used for assessing whether the vesting conditions have been satisfied to ensure that participants are neither advantaged nor disadvantaged by matters that may affect outcomes (for example, by excluding non- recurrent items or the impact of significant acquisitions or disposals).
Allocation of Stapled Securities	Each vested LTI Performance Right entitles the holder to one Security.
Change in Control	In the event of a change of control transaction or any proposed transaction that the Board in its discretion determines should be treated as a change of control, a pro-rata number of unvested LTI Performance Rights vest at the time of the event, based on the performance period elapsed and the extent to which performance hurdles have been achieved at that time (unless the Board determines another treatment in its discretion).
Other required information	<p>Mr Mitchelson and Mr Winter are the only persons referred to in ASX Listing Rule 10.14 who are entitled and eligible to participate in the Plan at the discretion of the Board.</p> <p>Approvals were last received at the 2017 AGM for the grant of LTI Performance Rights to Mr Mitchelson. In accordance with that approval 193,885 LTI Performance Rights were granted. No amount was payable on the grant of the performance rights or will be payable if the performance rights vest. As at the date of this meeting, none of the performance rights have vested.</p> <p>Approvals were last received at the 2017 AGM for the grant of LTI Performance Rights to Mr Winter. In accordance with that approval 120,805 LTI Performance Rights were granted. No amount was payable on the grant of the performance rights or will be payable if the performance rights vest. As at the date of this meeting, none of the performance rights have vested.</p>

Deferred STI Rights and LTI Performance Rights

Amount payable	No amount is payable.
Terms of any loan	No loans will be provided.
Issue of Securities	No rights will be granted pursuant to the resolutions more than 12 months after the date of the meeting.
Employment Termination	<p>In the event of termination of employment:</p> <ul style="list-style-type: none">• dismissal for cause or resignation: unvested rights lapse (unless the Board determines otherwise); and• in all other circumstances: rights remain on foot subject to the original vesting period. <p>The Board may cause a right to lapse in full and also allow accelerated vesting in special circumstances (subject to termination benefit cap rules).</p>

Glossary

ACN: Australian Company Number

AEDT: Australian Eastern Daylight Saving Time

AFSL: Australian Financial Services Licence

Arena REIT: The group comprising Arena REIT Limited, Arena REIT No.1 and Arena REIT No.2

Arena REIT No.1: Arena REIT No.1 (ARSN 106 891 641)

Arena REIT No.2: Arena REIT No.2 (ARSN 101 067 878)

ARSN: Australian Registered Scheme Number

Associate: has the meaning given to it in the ASX Listing Rules

ASX: ASX Limited (ACN 008 624 691) or the market operated by it (the Australian Securities Exchange), as the context requires

Company: Arena REIT Limited (ACN 602 365 186)

Independent Director: An Independent Director of Arena REIT Limited or Arena REIT Management Limited (as the context requires), namely: David Ross, Simon Parsons and Dennis Wildenburg

Responsible Entity: Arena REIT Management Limited (ACN 600 069 761) (AFSL 465754)

Security or Securities: Stapled securities in Arena REIT

Securityholder: A person who holds Securities

Trust: Each of Arena REIT No.1 and Arena REIT No.2 (collectively, Trusts)

Corporate Directory

Arena REIT Limited
ACN 602 365 186

Arena REIT Management Limited (ARML)
ACN 600 069 761 AFSL 465754

Principal place of business

Level 5, 41 Exhibition Street
Melbourne VIC 3000

Phone: +61 3 9093 9000

Fax: +61 3 9093 9093

Email: info@arena.com.au

Website: www.arena.com.au

Directors

David Ross (Independent, Non-Executive Chairman)

Simon Parsons (Independent, Non-Executive Director)

Dennis Wildenburg (Independent, Non-Executive Director)

Bryce Mitchelson (Managing Director)

Gareth Winter (Executive Director of ARML)

Company Secretary

Gareth Winter

Auditor

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: 1300 737 760

Investor inquiries and correspondence

Arena REIT
Locked Bag 32002
Collins Street East
Melbourne VIC 8003
Telephone: 1800 008 494
Website: www.arena.com.au
Email: info@arena.com.au

Stock exchange listing

Arena REIT stapled securities are listed on the Australian Securities Exchange (ASX)





All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be received **before 10:00am (AEDT) on Sunday, 18 November 2018.**

TO VOTE ONLINE

BY SMARTPHONE

STEP 1: VISIT www.votingonline.com.au/ARFAGM2018

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your voting access code (VAC)

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of Arena REIT. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting Arena REIT's securities registry or you may copy this form.

To appoint a second proxy, you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from Arena REIT's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director, who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Sunday, 18 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply-Paid Envelope or:

 **Online** www.votingonline.com.au/ARFAGM2018

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

 **In Person** Boardroom Pty Limited
Level 12, 225 George Street or Boardroom Pty Limited
Level 7, 333 Collins Street
Sydney NSW 2000 Australia Melbourne VIC 3000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Arena REIT (ARF)

Your Address

This is your address as it appears on Arena REIT's register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a Securityholder of Arena REIT and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of Arena REIT to be held at **Hall & Wilcox, Level 11 Rialto South Tower, 525 Collins Street, Melbourne, VIC 3000 on Tuesday 20 November 2018 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 3, 4, 5 & 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 3, 4, 5 & 6 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 3, 4, 5 & 6). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
 * 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 vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
Resolution 1# Non-binding advisory vote on the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Dennis Wildenburg as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3# Grant of deferred short term incentive rights to Mr Bryce Mitchelson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4# Grant of long term incentive performance rights to Mr Bryce Mitchelson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5# Grant of deferred short term incentive rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6# Grant of long term incentive performance rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#This resolution is subject to voting exclusions - Please read the voting exclusion statement included in the Arena REIT Notice of Annual General Meeting and Explanatory Memorandum

STEP 3 SIGNATURE OF SECURITYHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2018