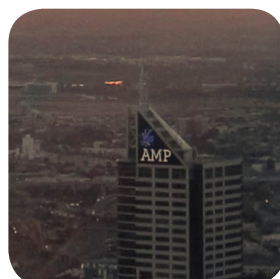
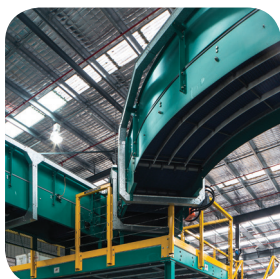
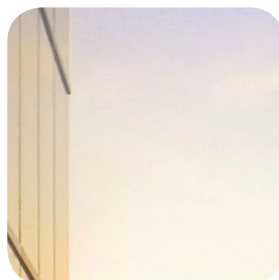


Notice of Annual General Meeting

The Annual General Meeting of APN Property Group Limited will be held at:

Time: 10.00am
Date: Friday, 28 November 2014
Venue: Sheraton Melbourne Hotel,
27 Little Collins Street,
Melbourne Victoria 3000





NOTICE OF ANNUAL GENERAL MEETING 2014

Notice is given that the Annual General Meeting of members of APN Property Group Limited (**Company**) will be held at the Sheraton Melbourne Hotel, 27 Little Collins Street, Melbourne, Victoria on 28 November 2014 commencing at 10.00am.

Capitalised terms used in this notice of meeting and the Explanatory Notes are defined in the body of this document or in the 'Definitions' section at the end of this document.

ORDINARY BUSINESS

1 Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report, each for the financial year ended 30 June 2014.

2 Remuneration Report (Resolution 1)

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

"That the Remuneration Report for the financial year ended 30 June 2014 be adopted."

3 Re-election and Election of Directors (Resolutions 2.1 and 2.2)

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

2.1 *"That Mr Howard Brenchley, who retires by rotation in accordance with clause 4.3(c) of the Constitution, and being eligible, be re-elected as a Director."*

2.2 *"That Mr Tim Slattery, who retires in accordance with clause 4.2(a)(ii) of the Constitution, and being eligible, be elected as a Director."*

4 Approval of 10% Placement Capacity – (Resolution 3)

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes."

5 Approval of Employee Incentive Schemes (Resolutions 4.1 and 4.2)

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

4.1 *"That all issues of securities under the APN Property Group Employee Performance Securities Plan, the terms of which are described in the Explanatory Notes, be approved as an exception to Listing Rule 7.1 and for all other purposes."*

4.2 *"That all issues of securities under the APN Property Group Employee Share Gift Plan, the terms of which are described in the Explanatory Notes, be approved as an exception to Listing Rule 7.1 and for all other purposes."*

By order of the Board.



Company Secretary
APN Property Group Limited
Dated: 27 October 2014

Voting entitlement

The Board has determined in accordance with regulation 7.11.37 of the Corporations Regulations that for the purpose of voting at the Annual General Meeting, shares will be taken to be held by those who hold them at 7.00pm (Melbourne time) on 26 November 2014. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

Voting by proxy

Each Member who is entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on behalf of that Member as an alternative to attending the meeting in person. The proxy need not be a Member of the Company.

A Member who is entitled to cast two or more votes may appoint one or two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Member appoints two proxies and the appointment does not specify the proportion, or number, of Member's votes, each proxy may exercise half the Member's votes (disregarding fractions).

Directed and Undirected Proxies

If you choose to appoint a proxy, the Board encourages you to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "**For**", "**Against**" or "**Abstain**" for this item of business on the proxy form.

If you sign the enclosed proxy form and do not appoint the chairperson or specify an individual or body corporate as your proxy, you will have appointed the chairperson of the Annual General Meeting as your proxy by default. In that case, your shares will be voted on the proposed resolutions in accordance with your directions on the proxy form.

If you do not direct the chairperson how to vote your shares, the chairperson will vote undirected proxies on, and in favour of, all of the proposed resolutions including Resolution 1 (Remuneration Report). Where the chairperson is appointed as your proxy, you will be taken to have expressly authorised the chairperson to cast your votes on Resolution 1.

If you appoint as your proxy any other Director, any other of the Company's key management personnel or any of their closely related parties, they will vote undirected proxies in favour of all of the proposed resolutions except Resolution 1 (Remuneration Report). They will not cast any votes in respect of Resolution 1 (Remuneration Report) that arise from undirected proxies.

"Key management personnel" of the Company for the financial year ended 30 June 2014 are identified in the Remuneration Report, which forms part of the Company's 2014 Annual Report. The "closely related parties" of the Company's key management personnel are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

Lodging your Proxy

A proxy appointment form is enclosed in this notice of meeting. For the appointment of a proxy to be effective for the Annual General Meeting, the following documents must be received no later than 48 hours before the scheduled time for the meeting; that is by 10.00am on 26 November 2014:

- (a) the proxy's appointment; and
- (b) if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed or a certified copy of the authority.

Documents may be lodged online, by posting, delivery or facsimile to the Company's share registry at:

Link Market Services Limited

Online: www.linkmarketservices.com.au

By Post: Locked Bag A14
Sydney South NSW 1235

Delivery: Level 12, 680 George Street
SYDNEY NSW 2000

Facsimile: (02) 9287 0309

Bodies corporate

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at meetings of Members. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body corporate could exercise at a meeting or in voting on a resolution.

Voting exclusion statements

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by the Company's key management personnel or any of their closely related parties.

In accordance with the Listing Rules, the Company will disregard any votes cast on Resolution 3 by any person who may participate in the issue of Equity Securities under Resolution 3 and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if Resolution 3 is passed, and any associates of those persons.

However, in relation to Resolution 3, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the chairperson of the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with the Listing Rules, the Company will disregard any votes cast on Resolution 4 by:

- (i) Mr Clive Appleton (being a Director eligible to participate in an employee incentive scheme in relation to the Company); or
- (ii) an associate of Mr Appleton.

However, in relation to Resolution 4, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Required Majority

Resolutions 1, 2 and 4 proposed in this notice of meeting are ordinary resolutions and will be passed if, in each case, more than 50% of the votes cast by Members entitled to vote on each resolution are cast in favour of the relevant resolution.

Resolution 3 proposed in this notice of meeting is a special resolution and will be passed if more than 75% of the votes cast by Members entitled to vote on the resolution are cast in favour of the resolution.

EXPLANATORY NOTES

1 Financial Statements and Reports

The Corporations Act requires the following reports in respect of the financial year ended 30 June 2014 to be laid before the Annual General Meeting:

- (a) Financial Report (which includes financial statements and the Directors' declaration);
- (b) Directors' Report; and
- (c) Auditor's Report.

Members have been provided with all relevant information concerning these reports in the Annual Report of the Company for the year ended 30 June 2014 (**Annual Report**). A copy of the Annual Report has been sent to each Member (other than those Members who have previously elected not to receive the Annual Report, whether in paper form or electronically). Any Member who has made this election and now wishes to receive a paper or electronic copy of the Annual Report should contact the Company to arrange receipt. The Annual Report can also be viewed, printed and downloaded from the Company's website at www.apnpg.com.au.

There is no requirement either in the Corporations Act or the Constitution for Members to approve the Financial Report, the Directors' Report or the Auditor's Report.

However, Members will be given a reasonable opportunity as a whole at the Annual General Meeting to ask questions and make comments on these reports, and on the business, operations and management of the Company.

Further, in accordance with section 250PA of the Corporations Act, a Member who is entitled to cast a vote at the Annual General Meeting may submit a written question to the auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the annual financial report,

by giving the question to the Company by no later than 10.00am on 21 November 2014 (being 5 business days before the day on which the Annual General Meeting is to be held). The auditor will then compile the questions relevant to the content of the Auditor's Report or the conduct of the audit of the annual Financial Report into a question list. At or before the start of the Annual General Meeting, the Company will make the question list reasonably available to the Members attending the meeting.

2 Remuneration Report (Resolution 1)

Section 250R(2) of the Corporations Act requires listed companies to put a resolution to their members that the Remuneration Report be adopted. **The vote on this resolution is advisory only, and does not bind the Board or the Company.**

The Remuneration Report forms part of the Directors' Report and is included in the Annual Report for the financial year ended 30 June 2014.

The Remuneration Report must contain the information required under section 300A of the Corporations Act, including:

- (a) discussion of board policy for determining the nature and amount of remuneration of its key management personnel;
- (b) discussion of the relationship between the Board's policy for determining the remuneration of the Company's key management personnel and the Company's performance;
- (c) if an element of the remuneration of a member of the Company's key management personnel is dependent on satisfaction of a performance condition:
 - (i) a detailed summary of the performance condition;
 - (ii) an explanation of why the performance condition was chosen;
 - (iii) a summary of the methods used in assessing whether the performance condition is satisfied and an explanation of why those methods were chosen; and

- (iv) if the performance condition involves a comparison with factors external to the Company, a summary of those factors and if any of the factors relate to the performance of another company or companies or a securities index, the identity of that company, companies or index; and
- (d) the remuneration details for each of the Company's key management personnel named in the Remuneration Report for the financial year ended 30 June 2014.

The Board will consider the vote and comments made by Members on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Members will be given the opportunity to vote at the second of those meetings on a resolution that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election. At the Company's 2013 annual general meeting, the votes cast by members against the adoption of the Remuneration Report were less than 25%.

Where the chairperson of the meeting is authorised to do so, undirected proxies held by the chairperson will be voted in favour of Resolution 1 (Remuneration Report) even though the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel. However, if another Director or any of the Company's key management personnel (or any of their closely related parties) other than the chairperson is appointed as a proxy, they will not cast any votes in respect of Resolution 1 that arise from any undirected proxies they hold.

"Key management personnel" of the Company for the financial year ended 30 June 2014 are identified in the Remuneration Report, which formed part of the Annual Report. The "closely related parties" of the Company's key management personnel are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

If you choose to appoint a proxy, the Board encourages you to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either **"For"**, **"Against"** or **"Abstain"** for this item of business on the proxy form.

Members will be given a reasonable opportunity at the Annual General Meeting to ask questions about, or make comments on, the Remuneration Report.

No recommendation

The Directors make no recommendation with respect to voting on Resolution 1.

3 Re-election and election of Directors (Resolutions 2.1 and 2.2)

3.1 Howard Brenchley (Resolution 2.1)

Howard Brenchley will retire by rotation in accordance with clause 4.3(c) of the Constitution and, being eligible, offers himself for re-election.

The following information has been provided by Mr Brenchley in support of his re-election as a Director.

Mr Brenchley has a long history in the Australian property investment industry with 26 years' experience analysing and investing in the sector.

Mr Brenchley joined APN in 1998 and was responsible for establishing the APN Funds Management business. In this capacity, he developed a suite of new property securities and direct property funds, including the flagship APN Property for Income Fund and the APN AREIT Fund, both market leading property securities funds in Australia.

Prior to joining the group, Mr Brenchley was co-founder and research director of Property Investment Research Pty Limited, one of Australia's leading independent research companies, specialising in the property trust sector.

Mr Brenchley is also a highly sought after commentator and speaker on property investment. He has lectured on property and property securities investment for industry associations, universities and leading financial planning dealer groups.

Recommendation

The Board recommends that Members vote in favour of Resolution 2.1.

3.2 Tim Slattery (Resolution 2.2)

Tim Slattery was appointed as a Director in September 2014 by the other Directors in accordance with clause 4.2(a)(i) of the Constitution. Mr Slattery will retire in accordance with clause 4.2(a)(ii) of the Constitution and, being eligible, offers himself for election by Members.

The following information has been provided by Mr Slattery in support of his election as a Director.

Mr Slattery has over 10 years' experience across real estate, funds management, investment banking and law.

Over Mr Slattery's career, he has practised at Herbert Smith Freehills as a corporate lawyer, and worked in investment banking with Goldman Sachs. Collectively, Mr Slattery has worked on mergers, acquisitions and financing transactions worth several billion dollars within Australia and internationally, including a number of significant commercial real estate transactions.

Mr Slattery is responsible for corporate development within the APN group, which includes working with a number of APN's teams to support the growth of the business.

Recommendation

The Board recommends that Members vote in favour of Resolution 2.2.

4 Approval of 10% Placement Capacity (Resolution 3)

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek member approval by special resolution at its annual general meeting to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the annual general meeting, in addition to those under the 15% annual placement capacity (**10% Placement Capacity**).

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and had a market capitalisation at the close of business on 9 October 2014 of \$74.1 million, based on a share price of \$0.335.

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being fully paid ordinary shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

(A x D) – E

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
 - (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4; and
 - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under ASX Listing Rules 7.1 or 7.4.

Technical Information Required by ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed (**Agreed Issue Date**); or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the Agreed Issue Date, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Annual General Meeting; and
- (ii) the date of approval by Members of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX.

(c) Risk of dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests and may dilute the economic interests of Members who do not receive Equity Securities under the issue.

The table below seeks to demonstrate the potential dilution of existing Members resulting from the issue of Equity Securities under the 10% Placement Capacity calculated in accordance with the formula contained in ASX Listing Rule 7.1A(2). The table does this by setting out the potential number of Shares issued and funds raised on the basis of:

- (i) the current number of Shares on issue;
- (ii) the number of Shares on issue changing (variable 'A' in the formula); and
- (iii) a variation in the issue price of the Shares (noting that Shares may only be issued at up to a 25% discount based on the volume weighted average price of the Shares calculated over the 15 ASX trading days preceding the issue.

VOTING DILUTION				
Number of Shares on Issue (Variable A in formula)	Dilution Variable	\$0.168 (50% decrease in current issue price)	\$0.335 (Current Issue Price)	\$0.670 (50% increase in current issue price)
221,073,965 (Current)	Additional 10% Shares issued	22,107,397	22,107,397	22,107,397
	Funds Raised	3,702,989	7,405,978	14,811,956
331,610,948 (50% increase)*	Additional 10% Shares issued	33,161,095	33,161,095	33,161,095
	Funds Raised	5,554,483	11,108,967	22,217,933
442,147,930 (100% increase)*	Additional 10% Shares issued	44,214,793	44,214,793	44,214,793
	Funds Raised	7,405,978	14,811,956	29,623,911

* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that does not require Member approval (such as under a pro-rata rights issue) or an issue of Shares with Member approval under Listing Rule 7.1.

The table on the previous page uses the following assumptions:

1. The current number of shares on issue is the Shares on issue as at 9 October 2014.
2. The current issue price is the closing price of the Shares on the ASX on 9 October 2014.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The calculations above do not show the dilution that any one particular Member will be subject to. All Members should consider the dilution caused to their own shareholding depending on their specific circumstances.
5. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Members should note that there is a risk that:

- (i) the market price for the Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for various purposes including the following:

- (i) to raise cash as consideration for the acquisition of or investment in real estate investment assets and property fund management rights (including expenses associated with such acquisitions), continued expenditure on the Company's current assets and general working capital; or
- (ii) as non-cash consideration for the acquisition of or investment in real estate investment assets and property funds management rights, and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Members or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Members may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company has previously obtained approval under ASX Listing Rule 7.1A at its Annual General Meeting on 27 November 2013. The Company has issued 69,558,222 Equity Securities in the 12 months preceding the date of this notice of meeting.

As required under ASX Listing Rule 7.3A.6(b), the details in respect of all issues of Equity Securities by the Company during the previous 12 months are set out below.

Details	Number of equity securities issued	Class and summary of terms of equity securities	Parties issued equity securities	Price / discount of equity securities issued	Amount of cash or non-cash consideration
Placement December 2013	32,000,000	Ordinary fully paid shares	Institutional and sophisticated investors	\$0.25 (representing a 10.7% discount to the closing price on the date of issue)	\$8.0 million less transaction costs
Entitlement Offer December 2013	32,308,222	Ordinary fully paid shares	Existing shareholders who elected to participate	\$0.25 (representing a 10.7% discount to the closing price on the date of issue)	\$8.1 million less transaction costs
Issue to staff under the APN Property Group Employee Performance Securities Plan (further details of which are contained in the Remuneration Report)	5,250,000	Ordinary fully paid shares	Participating employees	5,000,000 @ \$0.26 (representing a 17.5% discount to the closing price on the date of issue) 250,000 @ \$0.30 (representing a 4.7% discount to the closing price on the date of issue)	\$1.375 million (funded by loans to the participating employees in accordance with the terms of the APN Property Group Employee Performance Securities Plan rules)

Special Resolution

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Members present and eligible to vote at the meeting must be in favour of Resolution 3 for it to be passed.

Voting Exclusion

A voting exclusion statement is included in this notice. As at the date of this notice of meeting, the Company has not invited any existing Member to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Members will be excluded from voting on Resolution 3.

Recommendation

The Board recommends that Members vote in favour of Resolution 3.

5 Approval of employee incentive schemes (Resolutions 4.1 and 4.2)

The Board remains of the view that the success of the Company depends greatly upon the people it engages. Successful employee incentive schemes are an essential component of any comprehensive human resources policy that aims to enhance the future prospects of the Company.

5.1 APN Property Group Employee Performance Securities Plan (Resolution 4.1)

At the 2011 Annual General Meeting, Members approved the renewal of the APN Property Group Employee Performance Securities Plan (formerly known as the APN Property Group Employee Performance Rights Plan) (**Performance Plan**). The Performance Plan provides for the issue of Equity Securities and the grant of rights to receive Equity Securities (**Performance Rights**) to eligible employees. Since that approval was given, the Company has issued, or agreed to issue, 15,607,567 Equity Securities to its employees under the Performance Plan. In May 2014, 15,250,000 Performance Rights were granted to certain key management personnel of the Company (as disclosed in the Remuneration Report). Of those 15,250,000 rights, only 5,250,000 will have vested as at the date of the Annual General Meeting, resulting in the issue of 5,607,567 shares in September 2014.

In June 2014, the Board amended the terms of the Performance Plan to provide increased flexibility for the issue of Equity Securities and Performance Rights to eligible employees and to change the name of the Performance Plan.

Under the current Performance Plan rules (as amended by the Board), an Equity Security issued or allocated to an eligible employee under the Performance Plan may be held on trust for the employee and may be financed by a loan provided by the Company to the employee.

The Board may determine the terms of issue of any Equity Security or Performance Right issued or granted, and may vary the terms for each issue at its discretion. Terms of issue may include:

- vesting conditions (including performance requirements and service tenure);
- determining the eligibility to participate in the Performance Plan; and
- other conditions it may choose to impose.

Directors are not eligible to participate in the issue of Equity Securities under the Performance Plan.

Under Listing Rule 7.1, a listed company must not issue or agree to issue equity securities exceeding 15% of its ordinary securities on issue in the previous 12 months unless it obtains the approval of its shareholders. An exception to Listing Rule 7.1 is that any issue under an employee incentive scheme within 3 years of the scheme being approved by members will not be counted when determining whether the 15% limit has been exceeded.

Accordingly, Members are asked to renew approval of the Performance Plan so that issues of securities under the plan are approved as an exception to Listing Rule 7.1.

The Board believes that the renewed approval of the Performance Plan will continue to:

- (a) encourage employees to focus on creating value for Members;
- (b) link reward with the achievement of long term performance in the Company;
- (c) encourage employees to remain with the Company by providing them with the opportunity to hold a financial stake in the Company; and
- (d) assist in the Company attracting high calibre employees.

Recommendation

The Board recommends that Members vote in favour of Resolution 4.1

5.2 APN Property Group Employee Share Gift Plan (Resolution 4.2)

The APN Property Group Employee Share Gift Plan (**Gift Plan**) was approved by Members on 15 November 2007. Since that approval was given, the Company has issued a total of 60,741 Shares (in June 2008) to eligible employees under the Gift Plan. The Board has recently approved minor amendments to the Gift Plan rules, which have been implemented to provide greater flexibility for the issue of Shares to eligible employees and to align the terms of the Gift Plan with current market standards.

Under the Gift Plan, permanent full-time and part-time employees of the Company may be offered Shares for no consideration.

Under the Gift Plan rules, the Board is afforded considerable flexibility to determine the terms and conditions of the Shares issued under the Gift Plan, including the ability to restrict employees from dealing in the Shares for a predetermined period of time.

Under Listing Rule 7.1, a listed company must not issue or agree to issue equity securities exceeding 15% of its ordinary securities on issue in the previous 12 months unless it obtains the approval of its shareholders. An exception to Listing Rule 7.1 is that any issue under an employee incentive scheme within 3 years of the scheme being approved by members will not be counted when determining whether the 15% limit has been exceeded.

Accordingly, Members are asked to renew approval of the Gift Plan so that issues of securities under the plan are approved as an exception to Listing Rule 7.1.

As with the Performance Plan, the Board believes that the approval of the Gift Plan will continue to:

- (a) encourage employees to focus on creating value for Members;
- (b) link reward with the achievement of long term performance in the Company;
- (c) encourage employees to remain with the Company by providing them with the opportunity to hold a financial stake in the Company; and
- (d) assist in the Company attracting high calibre employees.

Recommendation

The Board recommends that Members vote in favour of Resolution 4.2

7 Definitions

10% Placement Capacity has the meaning given in section 4 of the Explanatory Notes.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by that company (whichever the context requires).

Auditor's Report means the annual auditor's report for the Company prepared under Chapter 2M of the Corporations Act.

Board means the board of Directors.

Company means APN Property Group Limited ACN 109 846 068.

Constitution means the Company's constitution as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means the Corporations Regulations 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report of the Company prepared under Chapter 2M of the Corporations Act.

Eligible Entity has the meaning set out in section 4 of the Explanatory Notes.

Equity Security includes a Share, an Option, a right to a Share or Option (including a Performance Right for the purposes of Resolutions 4.1 and 4.2), a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Notes means the explanatory notes attached to this Notice of meeting.

Financial Report means the annual financial report of the Company prepared under Chapter 2M of the Corporations Act.

Listing Rules means the listing rules of the ASX.

Member means a member of the Company.

Option means an option to acquire a Share.

Performance Right has the meaning set out in section 5.1 of the Explanatory Notes.

Remuneration Report means the remuneration report required to be prepared in accordance with section 300A of the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.





APN | Property Group
ABN 30 109 846 068

APN Property Group Limited

Level 30, 101 Collins Street,
Melbourne, Victoria 3000

Telephone (03) 8656 1000

Email apnpg@apngroup.com.au

Website apngroup.com.au



By mail:
APN Property Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

STEP 1

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 (excluding the registered shareholder) you are appointing as your proxy.

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 28 November 2014 at Sheraton Melbourne Hotel, 27 Little Collins Street, Melbourne, Victoria** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 **X**

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.1 Re-election of Director - Mr Howard Brenchley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.1 Approval of employee incentive scheme under the APN Property Group Employee Performance Securities Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Election of Director - Mr Tim Slattery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.2 Approval of employee incentive scheme under the APN Property Group Employee Share Gift Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i * 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.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

APD PRX401R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

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 shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

Signing Instructions

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

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

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

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

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

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share 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 **10:00am on Wednesday, 26 November 2014**, 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 Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

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



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

**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.**