



NOTICE OF MEETING AND EXPLANATORY MEMORANDUM 2016

The Annual General Meeting will be held:

Date: Friday 18 November 2016

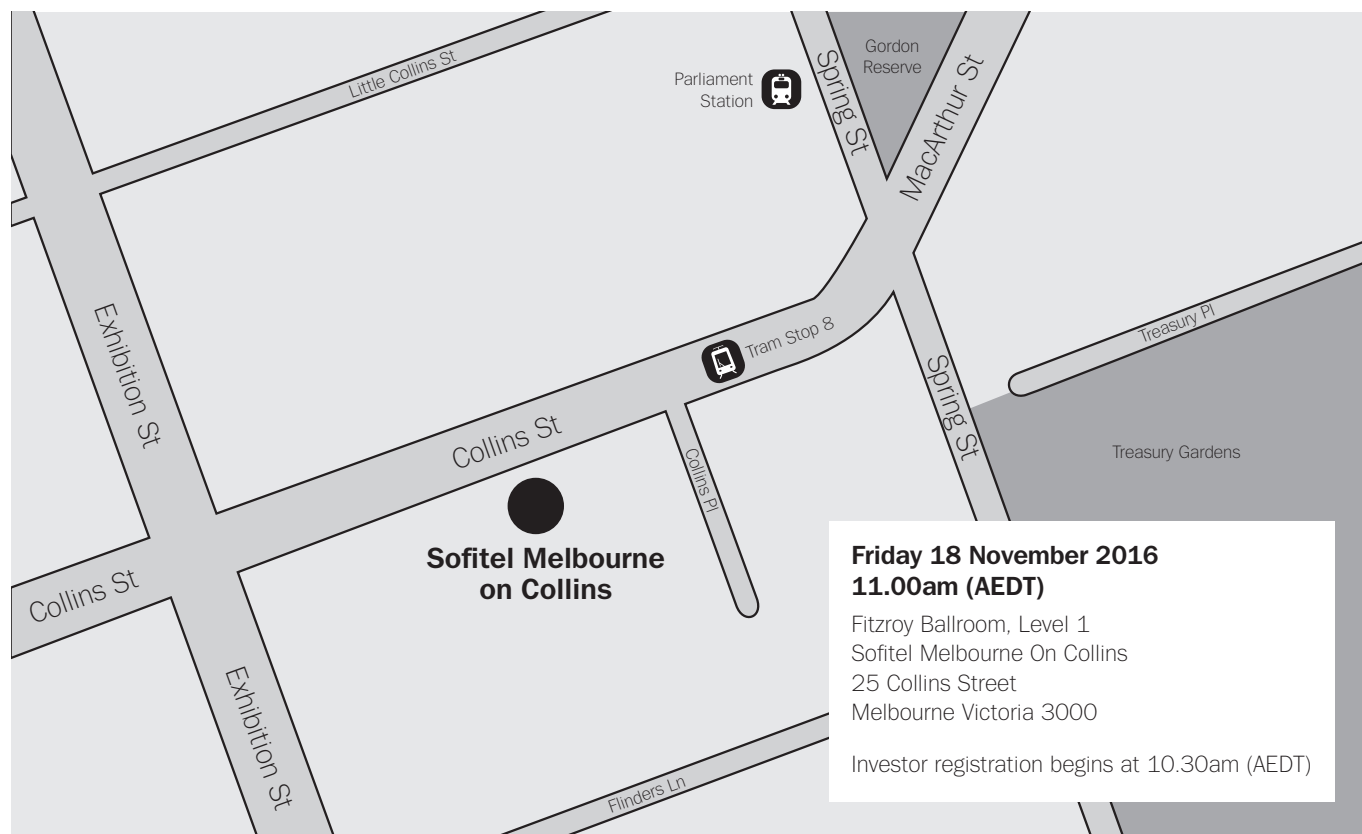
Time: 11.00am (AEDT)

Place: Fitzroy 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.

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 2016 Annual Report online

Investors are encouraged to read the 2016 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 Friday 11 November 2016. We will endeavour to answer 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' refer 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 resolutions, please contact Vicinity's Securityholder Information Line on +61 1300 887 890 between 8.30am and 5.30pm (AEDT) Monday to Friday.

A MESSAGE FROM THE CHAIRMAN

Dear Securityholder,

It is my pleasure to invite you to attend Vicinity Centres' 2016 Annual General Meeting, which will comprise the Annual General Meeting of Vicinity Limited (the Company) and a meeting of the Unitholders of Vicinity Centres Trust (together, the Meeting) to be held concurrently.

The Meeting will be held at Sofitel Melbourne On Collins, 25 Collins Street, Melbourne at 11.00am (AEDT) on Friday 18 November 2016. 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 submission are outlined on your proxy form or in note 9 of the Notice of Meeting. For your proxy to be valid, you will need to ensure that it is received by no later than 11.00am (AEDT) on Wednesday 16 November 2016.

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) recommends 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.

Vicinity's inaugural year

Our inaugural year as Vicinity Centres, following the merger of Federation Centres and Novion Property Group (Merger), has been an active time for the Group and a period of significant achievement.

We generated solid performance from our underlying portfolio, exceeded the targeted merger operational cost synergies more than 24 months ahead of program, made substantial progress on integration activities, strengthened our balance sheet and delivered on our portfolio enhancement strategy through developments, acquisitions, divestments and the intensive management of our assets.

Vicinity delivered a statutory net profit of \$960.9 million and underlying earnings of \$757.5 million, up 9.5%¹, driving underlying earnings per security (EPS) of 19.1 cents for the year ended 30 June 2016.

Our intensive asset management approach translated into an improvement across all key portfolio metrics, delivering comparable² net property income growth of 3.5% compared to 2.5% in the prior year and contributing to strong valuation growth.

We are well progressed on our asset divestment program of approximately \$1.5 billion. In just nine months since its commencement, we have agreed the sale of \$1.4 billion of assets across 12 shopping centres.

During FY16, five development projects totalling \$309 million (Vicinity share: \$158 million) were completed at an average initial yield of 9.1% and a forecast internal rate of return in excess of 14%. We also advanced other projects in our \$3.7 billion development pipeline (Vicinity share: \$1.7 billion). The impressive first retail stage of our major \$666 million (Vicinity share: \$333 million) development at Chadstone will open in October 2016. The \$350 million (Vicinity share: \$175 million) Mandurah Forum development has progressed well since it commenced in April 2016. The \$450 million (Vicinity share: \$225 million) development of The Glen gained Board and joint owner approval during the year, subject to a number of conditions precedent, and is close to commencing construction.

Vicinity is in a very strong capital position with gearing of 25.9%³, at the lower end of our target range of 25% to 35%, and sufficient balance sheet capacity to fund our medium term investment and development aspirations. During the year, we completed the Merger refinancing program while also improving the diversity and duration of our debt profile. We launched Vicinity's inaugural European medium term note program with a £350 million (A\$650 million) 10-year note issuance, issued A\$433 million of 10 and 15-year US private placement notes and negotiated over \$1.1 billion of bank debt facilities with new international bank counterparties, all at competitive margins.

1 Comparisons are to the aggregate of Federation Centres and Novion Property Group for the 12 months to June 2015.

2 Comparable portfolio excludes acquisitions, divestments and development-impacted centres.

3 As at 30 June 2016.

A MESSAGE FROM THE CHAIRMAN continued

We also established our strategies for people, digital and sustainability which provide a robust framework for business activities going forward. Our people strategy is designed to attract and nurture talented and highly engaged people. Our digital strategy embraces the role of technology in the retail environment with a vision of integrating the physical and digital customer experience, in addition to enabling more informed decision making to improve operational performance and drive efficiencies. On sustainability, our strategy focuses on creating value for our Securityholders and positively impacting our communities.

The quality of our performance is a reflection of the high calibre of our team. Over the past 12 months our Executive Committee has been strengthened through new appointments in the roles of Chief Investment Officer, Executive General Manager (EGM) Digital, Marketing, People and Culture and, most recently, EGM Development, each bringing new external expertise to Vicinity.

The year ahead

In the year ahead, we will continue to concentrate on enhancing the value of our portfolio by focusing on further reducing vacancies, refining the tenancy mix, identifying additional ancillary income streams and enhancing the customer experience. We will also focus on other portfolio improvement initiatives such as the delivery of our development pipeline, selective acquisitions and completion of our asset divestment program.

As announced in August 2016 as part of our digital strategy, we will connect all of our retail assets and corporate offices to the one high-speed digital network with WiFi capabilities. Along with enhancing the customer experience, this will enable more informed decision making to improve operational performance and drive efficiencies.

As part of merger integration activities, we will migrate to the one IT platform and co-locate our Melbourne corporate offices into the one location in a new office building at Chadstone in the first half of FY17.

Board renewal

You can also expect to see some changes to the composition of your Board in the coming year.

The current size of your Board reflects the skills, experience and resourcing that was considered necessary to bring Federation Centres and Novion Property Group businesses together as part of the Merger. Having made substantial progress on integration activities, the Board engaged an external consultant to complete an independent review of the performance of the Board and to develop a plan for Board succession and renewal. One of the outcomes of this review was a commitment by the Board to reduce the number of Directors on the Board.

Further details of the Board's succession plan will be made available at the Meeting.

Resolutions 3(a), (b) and (c) seek approval for the re-election of Non-executive Directors Mr Trevor Gerber, Dr David Thurin and myself 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 Friday 18 November 2016.

Yours 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) will be held in conjunction with a meeting of the Unitholders in Vicinity Centres Trust (the Trust), which are stapled together and trade as Vicinity Centres (ASX:VCX), at Sofitel Melbourne On Collins, 25 Collins Street, Melbourne on Friday 18 November 2016 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 2016.

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 2016 as contained in the Annual Report of Vicinity for the year ended 30 June 2016 be adopted."

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

This resolution is subject to voting exclusions – see 'Voting exclusions' below.

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 Hay being a Director who retires with effect from the conclusion of the Meeting and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*
- (b) *"That Dr David Thurin being a Director who retires with effect from the conclusion of the Meeting and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*
- (c) *"That Mr Trevor Gerber being a Director who retires with effect from the conclusion of the Meeting and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*

4 Approval of proposed equity grant to CEO

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 CEO of Vicinity Centres, Mr Angus McNaughton, in accordance with the terms of the Vicinity Centres Long Term Incentive Plan and on the terms summarised in the Explanatory Memorandum to this Notice of Meeting."

This resolution is subject to voting exclusions – see 'Voting exclusions' below.

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

The Corporations Act restricts members of key management personnel (KMP) (being each of the Directors and the other KMP as disclosed in the Remuneration Report) and their closely related parties from voting in relation to resolution 2 and resolution 4 in certain circumstances. In addition, a voting restriction applies to the CEO and his associates in respect of resolution 4 under the Listing Rules.

A 'closely related party' is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of the KMP.

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

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

- members of the KMP named in the Remuneration Report for the year ended 30 June 2016; and
- closely related parties of those KMP,

as well as any votes cast as a proxy on this resolution by a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast:

- as proxy for a person entitled to vote on resolution 2 in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting as proxy for a person entitled to vote on resolution 2 in accordance with an express authority to vote undirected proxies as the Chairman sees fit.

NOTICE OF MEETING continued

Resolution 4 (Approval of proposed equity grant to CEO)

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

- by or on behalf of the CEO of Vicinity, Mr Angus McNaughton (in any capacity); and
- any of his associates,


as well as any votes cast as a proxy on this resolution by a member of the KMP at the date of the Meeting and their closely related parties, unless the vote is cast:

- as proxy for a person entitled to vote on resolution 4 in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting as proxy for a person entitled to vote on resolution 4 in accordance with an express authority to vote undirected proxies 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 resolutions 2 and 4. Refer to note 7 for further details.

By order of the Board of Vicinity Limited

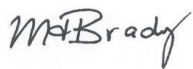


Michelle Brady

Company Secretary

26 September 2016

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



Michelle Brady

Company Secretary

26 September 2016

NOTES

1 Terminology and Glossary

A number of terms used in this Notice of Meeting (including these notes and 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 Quorum

The constitution of the Company provides that three Shareholders of the Company present personally or by representative, attorney or proxy and who are entitled to vote shall be a quorum for a general meeting of the Company. The constitution of the Trust provides that a quorum for a meeting of Unitholders is two Unitholders.

4 Resolutions – voting requisites

Each of the resolutions set out in items 2, 3 and 4 of this Notice of Meeting is an ordinary resolution and will not be passed unless more than 50% of the votes cast by or on behalf of Securityholders entitled to vote on the resolution is in favour of the resolution.

5 Voting

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 Wednesday 16 November 2016. 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:

- in respect of the Units comprising those Stapled Securities, only the person whose name stands first in the register may vote; and
- in respect of the Shares comprising those Stapled Securities, one of the joint holders may vote and if more than one joint holder is present and voting at the Meeting, only the vote of the joint holder whose name appears first in the register will be counted.

6 Admission to 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. 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.

7 Proxies

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

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

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

- If you intend to appoint an associate of the CEO as your proxy, please ensure that you direct them how to vote on resolution 4.
- 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, you must ensure the proxy is directed how to vote on resolutions 2 and 4.
- If you intend to appoint the Chairman of the Meeting as your proxy, you can direct them how to vote by marking the boxes for resolutions 2 and 4 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for resolutions 2 and 4, and give the Chairman your express authority to vote your undirected proxy in which case the Chairman intends to vote in favour of these items of business.

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

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

Any directed proxies 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 9 below no later than 11.00am (AEDT) on Wednesday 16 November 2016.

NOTES continued

8 How the Chairman intends to vote undirected proxies

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

If the Chairman of the Meeting is your proxy, and you fail to provide a voting direction in respect of resolutions 2 or 4 in the proxy form, you will be giving the Chairman express authority to vote your securities in favour of the resolution.

9 Lodgements of proxies and queries

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

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

10 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 Friday 11 November 2016. We will endeavour to answer 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

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 2016 are set out in the Annual Report, which was sent before the Meeting to those Securityholders who have elected to receive the Annual Report by mail. A copy of the Annual Report is also available on the 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 this to the Company Secretary at the following address by no later than 5.00pm (AEDT) on Friday 11 November 2016:

Address: Company Secretary
Vicinity Centres Corporate Office
Chadstone Shopping Centre
1341 Dandenong Road
Chadstone Victoria 3148 Australia

Facsimile: +61 3 9236 6301

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.

2 Non-binding advisory vote on Remuneration Report

The Remuneration Report for the Company is included in the Annual Report.

The Remuneration Report discusses the following:

- the remuneration policy adopted by the Board;
- the links between the Board's policy and company performance;
- the remuneration details for each Director and KMP; and
- the Vicinity short term and long term performance reward 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 or the RE, 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.

3 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 disregarding any fractions) must retire from office at each annual general meeting and may offer themselves for re-election.

As all of the Non-executive Directors stood for election or re-election at the 2015 annual general meeting, the Directors to stand for election at the Meeting were decided by calling for volunteers. Mr Hay, Dr Thurin and Mr Gerber have each volunteered to 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.

EXPLANATORY MEMORANDUM continued



Peter Hay
(LLB, FAICD)

**Chairman, Independent
Non-executive Director**

Appointed to the Board of the Company
in June 2015

Background and Experience

Peter Hay has a strong background and breadth of experience in business, corporate governance, finance and investment banking advisory work, with a particular expertise in relation to mergers and acquisitions. Mr Hay was a partner of the legal firm Freehills until 2005, where he served as Chief Executive Officer from 2000. Mr Hay has also had significant involvement in advising governments and government-owned enterprises.

Mr Hay is Chairman of the Nominations Committee.

Current Directorships, Executive Positions and Advisory Roles

Chairman: Newcrest Mining Limited.

Director: Australian Institute of Company Directors.

Member: Australian Government Takeovers Panel and AICD Corporate Governance Committee.

Previous listed directorships (past three years)

GUD Holdings Limited, Novion Limited, Alumina Limited, Australia and New Zealand Banking Group Limited, NBN Co Limited and Myer Holdings Limited.

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



DAVID THURIN
(MBBS, DIP RACOG, FRACGP,
MS in Management)

Non-executive Director

Appointed to the Board of the Company
in June 2015

Background and Experience

Dr David Thurin has had extensive experience in the property industry that includes senior roles within The Gandel Group and associated companies, including being the Joint Managing Director. Dr Thurin was a Director of The Gandel Group at the time of the merger between Gandel Retail Trust and Colonial First State Retail Property Trust in 2002. Dr Thurin is the Managing Director and founder of Tigcorp Pty Ltd, which has property interests in retirement villages and land subdivision. He has a background in medicine, having been in private practice for over a decade, and was a prior President of the International Diabetes Institute.

Dr Thurin is a member of the Risk and Compliance Committee.

Current Directorships, Executive Positions and Advisory Roles

Director: Tigcorp Pty Ltd, Melbourne Football Club and Baker IDI Heart and Diabetes Institute.

Past Non-executive Directorships (past three years)

Novion Limited.

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



TREVOR GERBER
(BACC, CA, SA)

Independent Non-executive Director

Appointed to the Board of the Company
in October 2015

Background and Experience

Trevor Gerber worked for 14 years at Westfield, initially as Group Treasurer and subsequently as Director of Funds Management responsible for Westfield Trust and Westfield America Trust. He has been a professional director since 2000, and has experience in property, funds management, hotels and tourism, infrastructure and aquaculture.

Mr Gerber is a member of the Audit Committee and the Remuneration and Human Resources Committee.

Current Directorships, Executive Positions and Advisory Roles

Chairman: Sydney Airport Holdings.

Director: CIMIC Group Limited, Tassal Group Limited and Regis Healthcare Limited.

Past Non-executive Directorships (past three years)

Novion Limited.

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

4 Approval of proposed equity grant to CEO

Securityholder approval is sought for the proposed grant of Performance Rights to the CEO of Vicinity, Mr Angus McNaughton, under the Vicinity Long Term Incentive (LTI) Plan (formerly Performance Reward Plan – Long) (LTI Plan) on the terms set out below.

4.1 LTI Plan terms and conditions

If Securityholder approval is obtained, Performance Rights with a face value of \$1.5 million will be granted to the CEO as part of his remuneration package for the 2017 financial year. Each Performance Right entitles the CEO to one Stapled Security at the end of the Performance Period, subject to the satisfaction of the Performance Measures described below. Stapled Securities allocated to the CEO on vesting of the Performance Rights will rank equally with other Stapled Securities, but will be subject to a one year trading lock and the clawback provisions of the LTI Plan.

The number of Stapled Securities issued in accordance with the LTI Plan will be based on a face value methodology. The price used to calculate the number of Stapled Securities 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 CEO's LTI grant face value of \$1.5 million by the VWAP over the VWAP Calculation Period. As the CEO's grant of Performance Rights forms part of his remuneration, the Performance Rights will be granted at no cost to the CEO 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 the CEO on the first business day after the VWAP Calculation Period. No Performance Rights will be granted pursuant to this approval more than 12 months after the date of the Meeting.

If Securityholder approval is not obtained, in order to appropriately remunerate the CEO, the Board may consider providing alternative compensation to the CEO (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 the CEO (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 a vesting condition based on a relative TSR measurement against a Comparator Group; and

- the remaining 50% of the Performance Rights will be subject to a Total Return vesting condition, which measures the extent to which Vicinity efficiently manages and extracts 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 the CEO 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.

4.3 Relative TSR - Performance Measure (external hurdle)

The 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 measure 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.

4.4 Total Return - Performance Measure (internal hurdle)

Fifty percent of the Performance Rights will be allocated in accordance with the LTI Plan based on the Total Return of Vicinity during the Performance Period.

The Total Return will be calculated as follows:

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

EXPLANATORY MEMORANDUM continued

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 Performance Measure 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% 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 minimise the possibility of inappropriate outcomes.

4.5 Treatment of Performance Rights on cessation of employment

If, before the Performance Rights vest, the CEO ceases employment by reason of resignation or termination for cause, all unvested Performance Rights will lapse.

If, before the Performance Rights vest, the CEO ceases employment for any other reason (including death, total and permanent disablement, redundancy, genuine retirement from full time employment or Vicinity giving the CEO notice), the Performance Rights will 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.

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.

Other information

In relation to the LTI Plan:

- other than the CEO, no Director or associate of any Director, nor any other person referred to in Listing Rule 10.14 is entitled to participate in the LTI Plan;
- Securityholder approval for issue of Performance Rights under the LTI Plan to Mr McNaughton which formed part of Mr McNaughton's FY16 remuneration package, was granted at the 2015 annual general meeting. In accordance with that Securityholder approval, Mr McNaughton was granted 457,232 Performance Rights under the LTI Plan. There have been no other grants to persons referred to in Listing Rule 10.14 since that Securityholder approval;
- there is no loan scheme in relation to the Performance Rights or the LTI Plan;
- the CEO is 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 is not 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 2016 Annual General Meeting of the Company to be held on 18 November 2016 at 11.00am (AEDT) at Sofitel Melbourne On Collins, 25 Collins Street, Melbourne.
Annual Report	The annual report of Vicinity Centres that includes: (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 2016.
ASX	The Australian Securities Exchange.
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.
CEO	CEO and Managing Director.
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</i> (Cth).
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 KMP as disclosed in the Remuneration Report.
Listing Rules	The official listing rules of the ASX, as amended or replaced from time to time.
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	The notice of meeting which contains the notes and the Explanatory Memorandum.
NTA	Net tangible asset value per Stapled Security.
Performance Measures	The two performance measures set out in section 4 of the Explanatory Memorandum, each of which is a Performance Measure.
Performance Period	The three year period from 1 July 2016 until 30 June 2019.
Performance Right	A performance right which may be granted under and subject to the LTI Plan.

EXPLANATORY MEMORANDUM continued

Term	Definition
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 2016 as contained in the Annual Report.
Securityholder	A holder of a Stapled Security.
Share	A share in the capital of 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 4.4 of the Explanatory Memorandum.
TSR	Total Securityholder Return. Refer to section 4.3 of the Explanatory Memorandum.
Trust	Vicinity Centres Trust ARSN 104 931 928.
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).
VWAP	Volume weighted average price.





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
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 887 890

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 Friday 18 November 2016 at Sofitel Melbourne On Collins, 25 Collins Street, Melbourne** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for resolutions 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 resolutions 2 and 4, even though those resolutions 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 resolution.


VOTING DIRECTIONS

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

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

Resolutions

		For	Against	Abstain*		For	Against	Abstain*
2	Non-binding advisory vote on Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	Approval of proposed equity grant to CEO	<input type="checkbox"/>	<input type="checkbox"/>
3(a)	Re-elect Peter Hay as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3(b)	Re-elect David Thurin as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3(c)	Re-elect Trevor Gerber as a 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).

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 resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning 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 Wednesday 16 November 2016**, 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*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9.00am–5.00pm)