

24 September 2018

Dear Securityholders,

On behalf of the Board I am pleased to invite you to attend the Annual General Meeting of Members of **GDI Property Group Limited (GDI Property)** and the General Meeting of Unitholders of GDI Property Trust (**GDI Trust**) (together **the Meetings** or **AGM**). The following information is enclosed:

- the Notice of Meetings;
- an Explanatory Memorandum;
- a Proxy Form; and
- a reply paid envelope for lodging your proxy form and/or sending any written questions to GDI Property before the Meetings.

### **Meetings**

The Meetings will be held on Thursday, 15 November 2018 at 10:30am (Sydney time) in the Carrington Room of the Sydney Masonic Centre, Level 3, 66 Goulburn Street, Sydney. You are invited to join the Board for refreshments after the Meetings.

### **Business of the Meetings**

The business of the Meetings is set out in the Notice of Annual General Meeting (the **Notice**). The Notice and Explanatory Memorandum set out important information in relation to the matters to be considered by Securityholders at the Meetings, and I encourage you to read these materials carefully.

### **Attendance**

If you are attending the Meetings, please bring your personalised proxy form to allow the Registry to promptly register your attendance at the Meetings. The registration desk will be open from 10:00am.

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the Meetings in your place. Please refer to the Notice and Proxy Form regarding the appointment of a proxy.

### **Securityholder Questions**

Securityholders attending the Meetings will have the opportunity to ask questions at the Meetings. If you have an issue or question that you would like to be discussed at the Meetings, please send your query to:

The Secretary, GDI Property Group Limited, [info@gdi.com.au](mailto:info@gdi.com.au).

I look forward to seeing as many Securityholders as possible at the Meetings.

Yours sincerely,



**Graham Kelly**  
**Chairman**  
**GDI Property Group Limited**

**GDI Property Group Limited (ACN 166 479 189)**

and

**GDI Property Trust (ARSN 166 598 161)**

**NOTICE OF GENERAL MEETINGS**

Notice is given that the:

- Annual General Meeting of Members of **GDI Property Group Limited** (ACN 166 479 189) (**GDI Property**); and
- General Meeting of Unitholders of **GDI Property Trust** (ARSN 166 598 161) (**GDI Trust**)

(together, the **Meetings**),

will be held concurrently at 10:30am (Sydney time) on Thursday, 15 November 2018 in the Carrington Room of the Sydney Masonic Centre, Level 3, 66 Goulburn Street, Sydney.

This Notice is issued by GDI Property and GDI Funds Management Limited (ACN 107 354 003, AFSL 253 142), the responsible entity of GDI Trust.

Clause 9.1 of Schedule 2 and clause 10.1 of Schedule 1 of the respective Constitutions of GDI Property and the GDI Trust provide that meetings of members of GDI Property and unitholders of GDI Trust may be held in conjunction with each other while stapling of the shares in GDI Property to the units in the GDI Trust applies. Accordingly, where applicable, the meeting will be a Meeting of Securityholders of both GDI Property and GDI Trust (together, the **GDI Property Group** or **Group**).

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on the matters to be considered at the AGM. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

**CONSIDERATION OF REPORTS**

The first item of business is to receive and consider the Annual Financial Report, the Directors' Report and the Independent Auditor's Report of GDI Property and its controlled entities for the year ended 30 June 2018 and for GDI Trust and its controlled entities for the year ended 30 June 2018.

Unless GDI Property Group's Registry has been notified otherwise, Securityholders have not been sent a hard copy of the 2018 Annual Report. All Securityholders can view the 2018 Annual Report which contains the Financial Report for the year ended 30 June 2018 on GDI Property Group's website at [www.gdi.com.au](http://www.gdi.com.au).

A resolution of Securityholders is not required for this item of business.

### **QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman will give Securityholders a reasonable opportunity to ask questions about or comment on the management of GDI Property Group.

The Chairman will also give Securityholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by GDI Property Group in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Securityholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions submitted by Securityholders will be made available at the start of the Meeting and any written answer tabled by the Auditor at the Meeting will be made available as soon as practicable after the Meeting.

### **ITEMS FOR APPROVAL**

Each of the following resolutions in this Notice relate only to GDI Property. While the shares in GDI Property and the units in the GDI Trust are Stapled Securities, the Corporations Act 2001 (Cth) (**Corporations Act**) does not require any of these resolutions to be approved by the unitholders of GDI Trust.

#### **Resolution 1: Remuneration Report**

To consider and, if thought fit, to pass the following as an advisory resolution of GDI Property Group Limited:

*"That, the Remuneration Report (which forms part of the Directors' Report) for GDI Property Group Limited for the financial year ended 30 June 2018, is adopted."*

The Remuneration Report is set out in the 2018 Annual Report (available at [www.gdi.com.au](http://www.gdi.com.au)). Please note that, in accordance with section 250R(3) of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors of GDI Property.

***Voting Exclusion Statement***

A vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2018 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - i. does not specify the way the proxy is to vote on the resolution; and
  - ii. expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act.

**Resolution 2: Re-election of Ms Gina Anderson as Director**

To consider and, if thought fit, pass the following as an ordinary resolution of GDI Property Group Limited:

*“That, Gina Anderson, who retires in accordance with clause 11.3(b) of GDI Property Group Limited’s Constitution, having offered herself for re-election and being eligible, is re-elected as a Director of GDI Property Group Limited.”*

**Resolution 3: Election of Mr Stephen Burns as Director**

To consider and, if thought fit, pass the following as an ordinary resolution of GDI Property Group Limited:

*“That Stephen Burns, having offered himself for election and being eligible, is elected as a Director of GDI Property Group Limited in accordance with clause 11.5 of GDI Property Group Limited’s Constitution.”*

**Resolution 4: Issue of Performance Rights under the GDI Property Group Performance Rights Plan to Mr Steve Gillard, Managing Director**

To consider and, if thought fit, pass the following as an ordinary resolution of GDI Property Group Limited:

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue and allotment of 835,628 performance rights to Mr Steven Gillard, Managing Director, in accordance with the GDI Property Group Performance Rights Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”*

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. Mr Steve Gillard; or
- b. an associate of Mr Steve Gillard.

Additionally, in accordance with ASX Listing Rule 14.11, the Company will also disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. a Director of the Company who is eligible to participate in the GDI Property Group Performance Rights Plan; or
- b. an associate of any of those Directors.

NOTE: As set out in the Explanatory Statement, the Terms and Conditions of the GDI Property Group Performance Rights Plan provide that Executive Directors are eligible to participate in particular awards. Mr Gillard is the only Executive Director of GDI Property Group and accordingly is the only Director entitled to participate in the Plan.

However, the Company need not disregard a vote cast on Resolution 4 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 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 section 250BD of the Corporations Act, a vote must not be cast on Resolution 4 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

By order of the Directors of GDI Property Group Limited and GDI Funds Management Limited as responsible entity for GDI Property Trust.

David Williams  
Company Secretary  
24 September 2018

## ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors of GDI Property have determined that the Stapled Securities on issue as at 7:00pm (Sydney time) on Tuesday, 13 November 2018 will be taken, for the purposes of the Meetings, to be held by the persons who held them at that time. This means that any Securityholder registered at 7:00pm (Sydney time) on Tuesday, 13 November 2018 is entitled to attend and vote at the Meetings.

If more than one joint holder of Stapled Securities is present at the Meetings (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### *Voting by Proxy*

If you are a Securityholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meetings.

A proxy need not be a Securityholder of GDI Property Group.

A Securityholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Securityholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Securityholder's votes.

To be effective, the proxy must be received at the Share Registry of GDI Property Group no later than 10:30am (Sydney time) on Tuesday, 13 November 2018 being 48 hours before the Meetings. Proxy Forms must be received before that time by one of the following methods:

- |               |   |
|---------------|---|
| By post:      | GDI Property Group Limited<br>C/ – Link Market Services Limited<br>Locked Bag A14<br>Sydney South NSW 1235<br>Australia   |
| Online:       | Log onto <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a> and follow the instructions. You will need to put your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), details and postcode. |
| By delivery:  | Link Market Services Limited<br>1A Homebush Bay Drive<br>Rhodes NSW 2138  |
| By facsimile: | In Australia 02 9287 0309<br>From outside Australia +61 2 9287 0309   |





To be valid, a proxy must be received by GDI Property Group in the manner stipulated above. GDI Property Group reserves the right to declare invalid any proxy not received in this manner.

#### *Voting by Attorney*

A Proxy Form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by GDI Property Group no later than 10:30am (Sydney time) on Tuesday, 13 November 2018 being 48 hours before the Meetings.

#### *Corporate Representatives*

A body corporate which is a Securityholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Meetings. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Meetings a properly executed letter or other document confirming its authority to act as the body corporate's representative.

**IMPORTANT:** If you appoint the Chairman of the Meetings as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on resolutions 1 and 4, then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

#### *Voting at the Meeting*

It is intended that voting on each of the proposed resolutions at this Meeting will be conducted by a poll, rather than on a show of hands.

#### *Quorum*

The quorum for a meeting of both GDI Property and the GDI Trust is at least two members present in person or by proxy, attorney or representative holding securities.

#### SECURITYHOLDER QUESTIONS

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

To allow time to collate questions and prepare answers, please submit any questions by 10:30am (Sydney time) on Thursday, 8 November 2018. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to Securityholders.



## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of Securityholders of GDI Property Group, comprising the stapled entities GDI Property Group Limited (**GDI Property**) and GDI Property Trust (the **GDI Trust**) in relation to the business to be conducted at the Meetings to be held on Thursday, 15 November 2018.

The purpose of this Explanatory Memorandum is to provide Securityholders with information that is reasonably required by Securityholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Securityholders vote in favour of all Resolutions; for reasons of good governance, each Director respectively abstains where that Director has an interest in the outcome of a particular resolution and these interests are identified throughout this Explanatory Memorandum. The Chairman intends to vote all available undirected proxies in favour of each resolution.

Resolution 1 is an advisory resolution. An advisory resolution does not bind GDI Property or the Directors. The Directors will consider the outcome of the vote and comments made by Securityholders on the remuneration report at the meeting. Resolutions 2 through to 4 to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Securityholders entitled to vote on the resolution.

Each of the following resolutions in this Notice relate only to GDI Property. While the shares GDI Property and the units in the GDI Trust are “Stapled Securities”, the Corporations Act does not require any of these resolutions to be approved by the unitholders of the GDI Trust.

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### **Resolution 1: Remuneration Report**

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of director and key management personnel (**Remuneration Report**) be put to the vote of Securityholders for adoption by way of a non-binding vote.

The Remuneration Report details the remuneration policy for GDI Property Group and:

- reports the remuneration arrangements for Key Management Personnel of GDI Property Group (**KMP**);
- explains Board policies in relation to the nature and value of remuneration paid to KMP; and
- discusses the relationship between the policy and GDI Property Group performance.

The Report is available in GDI Property Group's 2018 Annual Report (available on GDI Property Group's website: [www.gdi.com.au](http://www.gdi.com.au)).

The Chairman will give Securityholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

Resolution 1 is an advisory resolution only (as stipulated by section 250R(3) of the Corporations Act) and does not bind the Directors or GDI Property.

A voting exclusion statement is set out under Resolution 1 in the Notice of Meeting.

*The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to Resolution 1.*

### **Resolution 2: Re-election of Ms Gina Anderson as Director**

In accordance with clause 11.3(b) of GDI Property Group Limited's Constitution, Gina Anderson retires and, being eligible, offers herself for re-election as a Director.

Ms Anderson is a professional non-executive director with wide experience in private, not-for-profit and government boards. She has senior executive experience in a diverse range of organisations in business, property, and the not-for-profit sector, having held chief executive, corporate affairs, stakeholder engagement, communications, project management and human resources roles. Ms Anderson was appointed as a director in November 2013.

At the completion of the Meetings, if re-elected, Ms Anderson will become Chair of the Board. Ms Anderson is currently the Chair of the Nomination and Remuneration Committee.

*The Directors (with Gina Anderson abstaining) recommend that Securityholders vote in favour of Resolution 2.*

### **Resolution 3: Election of Mr Stephen Burns as Director**

Stephen Burns is recommended by the Board to be elected as a Director In accordance with clause 11.5 of the Constitution.

Mr Burns is currently a partner at Aitken Murray Capital Partners and was previously head of real estate investment banking at Credit Suisse, Australia, a role he held for nine years after holding a similar position at Deutsche Bank, Australia, for the previous nine years. Mr Burns possesses vast experience as a Real Estate specialist advisor and expertise in capital markets, mergers, acquisitions and other corporate transactions. Mr Burns has expert skills and deep relationships demonstrated over many years and multiple cycles.

If elected, Mr Burns will be a member of the Audit, Risk and Compliance Committee and the Nomination and Remuneration Committee.

Prior to Stephen's appointment, the Company completed several background and screening checks including in relation to Stephen's character, experience and qualifications, criminal history and bankruptcy, with no adverse findings.

*The Directors recommend that Securityholders vote in favour of Resolution 3b.*

**Resolution 4: Issue of Performance Rights under the GDI Property Group Performance Rights Plan to Managing Director, Mr Steve Gillard**

Resolution 4 deals with the proposed issue of Performance Rights to Managing Director, Steve Gillard under the GDI Property Group Performance Rights Plan (**Plan**).

The Plan

The object of the Plan is to provide an incentive for Eligible Participants to remain in employment in the long term and recognise future efforts and contribution in the performance and success of the GDI Property Group.

Under the Plan, GDI Property Group is able to grant appropriately structured incentive awards to Mr Gillard, an Eligible Participant. The Board has determined that the equity incentives to be granted to Mr Gillard will be in the form of Performance Rights, which will only vest on the satisfaction of appropriate performance conditions.

The Board believes that this structure is appropriate for the following reasons:

- the grant of Performance Rights is in accordance with acceptable market practice;
- the grant of Performance Rights aligns management with Securityholder interests;
- the grant of Performance Rights can have minimal dilutionary effect on the issued security capital of GDI Property Group;
- the grant of Performance Rights act both as a performance incentive and retention tool;
- the grant of Performance Rights will reward Mr Gillard for his exertion and performance; and
- vested Performance Rights can create recognisable value to executives, which when granted under transparent and robust performance conditions, containing stretch elements, ensure real Securityholder value creation.

The key terms of the Plan are summarised in Attachment A.

Securityholders approved the grant of performance rights to Mr Gillard under the Plan at the 2014, 2015, 2016 and 2017 AGMs.

How many Performance Rights will Mr Gillard receive?

The Board intends to offer Mr Gillard 835,628 of Performance Rights to the “value” of \$860,625. These Performance Rights will be subject to the hurdles described below.

The proposed size of the grant to Mr Gillard is 45% of his Total Remuneration, consistent with the remuneration framework as detailed in the Remuneration Report for the year ended 30 June 2018 and following a review by the Board of Mr Gillard’s performance for the year. The dollar value is converted into the number of Performance Rights based on an independent valuation, taking into account factors including the performance conditions, security price volatility, term, distribution yield and the security price at grant date.

	<b>Number of Performance Rights</b>	<b>Value (\$)</b>
Short term incentive (STI)	222,384	286,875
Long term incentive (LTI)	613,244	573,750
<b>Total</b>	<b>835,628</b>	<b>860,625</b>

These Performance Rights may vest into fully paid ordinary Stapled Securities if the Performance Conditions and Vesting Conditions (described below) are met. Alternatively, if the Performance Conditions are met, the Board may determine in its absolute and unfettered discretion that a vested Performance Right will be satisfied by GDI Property Group making a cash payment to Mr Gillard in lieu of allocating Stapled Securities. In this instance, the cash payment made will be an amount equal to the 10 day volume weighted average market price of all GDI Property Group Stapled Securities traded on the ASX up to the date of settlement multiplied by the number of vested Performance Rights.

#### STI Performance Conditions & Vesting Conditions

The STI provides an annual opportunity for an incentive award. Mr Gillard is assessed on a balanced scorecard based on measures relating to longer term performance outcomes aligned to GDI Property Group's strategic objectives, as well as annual goals and workplace behaviours, including leadership and commitment.

Notwithstanding Mr Gillard meeting or exceeding his performance measures, or some thereof, the Board may determine to reduce (but not increase) the STI entitlement at its absolute discretion.

For the year ended 30 June 2018, Mr Gillard received an STI award of \$573,750, being 100% of his potential entitlement, based on the Balanced Scorecard approach shown below:

Financial		Operational		People, culture and development		Total
% weighting of total STI	% of total STI granted	% weighting of total STI	% of total STI granted	% weighting of total STI	% of total STI granted	Total STI granted %
40%	40%	30%	30%	30%	30%	100%

To further enhance the alignment with Securityholders, the Board determined that any STI granted to Mr Gillard would be split 50% cash, 50% performance rights where the principle performance condition is continued employment (or a good leaver) for three years from the conclusion of the performance year. Subject to Mr Gillard remaining in employment at 30 June 2021, 222,384 performance rights will vest for nil consideration (value of \$286,875).

#### LTI Performance Conditions & Vesting Conditions

##### *Performance Condition*

The Performance Rights are subject to the achievement of performance hurdles - Target 1 for 50% of Performance Rights granted and Target 2 for the other 50% of the Performance Rights granted (together

the **Performance Conditions**) as described below. The performance hurdles comprising the Performance Conditions drive GDI Property Group's performance and have been recognised by the Board as fundamental to the future success of GDI Property Group. Performance Conditions for future awards under the Plan may have similar attributes and although not exhaustive are expected to be based around financial, operational, share price and individual targets.

**Target 1 (50% of the Performance Rights)**

Total Securityholder Return (TSR)	Vesting percentage (for TSR measure)
Does not reach the 50 <sup>th</sup> percentile of the TSR of the Comparator Group	0%
Reaches or exceeds the 50 <sup>th</sup> percentile of the TSR of the Comparator Group but does not reach the 75 <sup>th</sup> percentile	50%, plus 2% for every one percentile increase above the 50 <sup>th</sup> percentile
Reaches or exceeds the 75 <sup>th</sup> percentile of the TSR Comparator Group	100%

**Target 2 (50% of the Performance Rights)**

50% - Absolute Total Return (ATR)	Vesting percentage (for ATR measure)
Does not achieve an ATR of 10%	0%
Achieves or exceeds an ATR of 10% but does not achieve an ATR of 12%	50% up to 100% (at 12% ATR) on a straight line basis
Achieves or exceeds an ATR of 12%	100%

Where:

*Both Target 1 & Target 2 will be tested over a three year period (i.e. tested as at 30 June 2021)*

**TSR:** *Movement in security price and distributions.  
For the period ended 30 June 2018, the commencing security price is based on the 30 June 2018 security price of GDI Property Group and its TSR Comparator Group.*

**ATR:** *Movement in Net Tangible Assets (NTA) and distributions.  
For the period ended 30 June 2018, the commencing NTA is based on the 30 June 2018 NTA.*

**TSR Comparator Group** *Dexus Property Group, GPT Group, Cromwell Property Group, Abacus Property Group, Investa Office Fund, Growthpoint Properties Australia, Australian Unity Office Fund, Centuria Metropolitan REIT, 360 Capital Group, PropertyLink, Charter Hall Group, Centuria Capital*

*The TSR Comparator Group may change if in the Board's opinion either a current Comparator entity is no longer such or a new entity should be added to the Comparator Group.*

### *Vesting Condition*

One of the reasons that GDI Property has the Plan is not only to attract and reward key executives, but to retain them as well. Therefore the Board has resolved that regardless of the outcome of the Performance Conditions, the employee must remain employed (or be a Good Leaver) for the Performance Rights to vest. Therefore, subject to the Performance Conditions being met, the Performance Rights will vest provided Mr Gillard remains employed by GDI Property Group as 30 June 2021.

In limited circumstances, the Board in its absolute discretion may determine to vest the Performance Rights (or a portion of unvested Performance Rights) granted to Mr Gillard even if the Vesting Condition is not met (for example, should Mr Gillard's employment cease due to redundancy, death or disablement).

### **Technical Information (for the purposes of the ASX Listing Rules)**

Listing Rule 10.14 requires the approval of ordinary Securityholders to issue securities under an employee incentive scheme to a Director of GDI Property. Accordingly, approval for the grant of the Performance Rights to Mr Gillard is required. Approval of this resolution will result in the grant of Performance Rights to Mr Gillard falling within exception 14 in Listing Rule 7.2. Therefore, the issue of Stapled Securities to Mr Gillard will not be included in the 15% calculation for the purposes of Listing Rule 7.1. The issue of Stapled Securities in GDI Property Group on the vesting of the Rights will also be excluded from Listing Rule 7.1.

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolution 4:

- Mr Steven Gillard is the Managing Director and is an Executive Director of GDI Property Group.
- Mr Gillard will be granted 835,628 Performance Rights for nil financial consideration which, subject to the achievement of Performance Conditions and Vesting Conditions, may convert to Stapled Securities in the capital of GDI Property Group on a one-for-one basis. As such up to 835,628 Stapled Securities may be allocated to Mr Gillard upon the conversion of vested Performance Rights, for nil financial consideration. Any Stapled Securities allocated to Mr Gillard may be acquired on market or issued by GDI Property Group. Alternatively, should Performance Rights vest, the Board may determine in its absolute discretion that a vested Performance Right will be satisfied by the Group making a cash payment to Mr Gillard in lieu of allocating Stapled Securities.
- The number of Performance Rights to be allocated has been calculated by a formula, being, the total value of Performance Rights determined by the Board, divided by a dollar value developed by an independent valuation, taking into account factors including the performance conditions, security price volatility, term, distribution yield and the security price at grant date.
- Since the date of last Securityholder approval at the 2017 AGM, Mr Gillard is the only person identified in ASX Listing Rule 10.14 to have been granted Stapled Securities under the Plan. Mr Gillard was granted 1,045,338 Performance Rights for nil financial consideration following Securityholder approval at the 2017 AGM.

No other persons identified in ASX Listing Rule 10.14 have received securities under the Plan.



- The Terms and Conditions of the GDI Property Group Performance Rights Plan provide that Executive Directors are eligible to participate in particular awards. Mr Gillard is the only Executive Director of GDI Property Group and accordingly is the only Director entitled to participate in the Plan.
- The Performance Rights will be granted under the terms and conditions of the GDI Property Group Performance Rights Plan.
- A Voting Exclusion Statement is set out under Resolution 4 in the Notice of Meeting.
- There is no loan attaching to the offer under the Plan.
- GDI Property Group is expected to allocate the Performance Rights shortly after the Meetings but in any event, no later than 12 months after the Meetings.
- If approval is given for the issue of Stapled Securities under ASX Listing Rule 10.14, approval is not required under Listing Rule 7.1.

*The Directors (with Mr Gillard abstaining) recommend that Securityholders vote in favour of Resolution 4.*



## Attachment A

### Summary of the key terms of the GDI Property Group Performance Rights Plan

Purpose	To provide an incentive for Eligible Participants to remain in their employment in the long term and recognise their future efforts and contribution in the performance and success of the Group.
Eligibility	The Plan is open to eligible employees, namely employees and Executive Directors of GDI Property Group ( <b>Eligible Participants</b> ).
Form of equity	Performance Rights
Invitation	<p>An invitation by the Board to acquire Performance Rights and become a Participant in the Plan will be in such form and subject to such conditions as the Board determines.</p> <p>The invitation will specify the terms attaching to the offer, including (but not limited to):</p> <ul style="list-style-type: none"> <li>• the Eligible Participant to whom the invitation is made;</li> <li>• the number of Performance Rights for which the Eligible Participant may apply;</li> <li>• whether the Performance Rights may be satisfied by the delivery of cash on exercise;</li> <li>• the Performance Conditions (a condition which must be satisfied or waived for that Performance Right becomes vested);</li> <li>• the date which unvested Performance Rights will lapse or expire (<b>Expiry Date</b>);</li> <li>• the amount payable (if any) for the grant of a Performance Right;</li> <li>• the time period (if any) for acceptance of the Invitation;</li> <li>• requirements for exercise by the Participant on vesting (if any);</li> <li>• whether the Eligible Participant is permitted to nominate a Controlled Entity as the recipient of the Performance Rights the subject of the Offer; and</li> <li>• any other terms and conditions applicable to the Invitation.</li> </ul>
Rights of Participants	<p>Unless the Expiry Date has been reached, Performance Rights remain subject to the terms and conditions of the Plan until all applicable Performance Conditions and any other conditions are met.</p> <p>Participants will receive one Stapled Security for every Performance Right which vests. The Company will seek quotation on ASX of any Stapled Securities issued on the vesting of Performance Rights however the Performance Rights will not be quoted.</p> <p>Depending on the invitation terms specified, the Board may determine in its absolute discretion that a vested Performance Right will be satisfied by the Company making a cash payment to the Participant in lieu of allocating Stapled Securities. In this instance, the cash payment made will be an amount equal to the 10 day volume weighted average market price of all GDI Property Group Stapled Securities traded on the ASX up to the date of settlement multiplied by the</p>

	<p>number of vested Performance Rights.</p> <p>A Participant is not entitled to participate in a new issue of Stapled Securities whilst ever Performance Rights are unvested.</p> <p>Once Stapled Securities are delivered to a Participant upon the vesting of Performance Rights, the Participant (as Securityholder) will be free to deal with the Stapled Securities as they wish, subject to the GDI Property Group's Securities Trading Policy.</p>
Capital Reconstruction	Where the Group undertakes any bonus issue or capital reconstruction (e.g. a security split or consolidation), the number of Stapled Securities to which a Participant may be entitled when their Performance Rights vest will be adjusted in accordance with the Plan Rules and the ASX Listing Rules.
Vesting of Performance Rights/Change of Control	<p>Subject to the Plan Rules, each unvested Performance Right granted to a Participant will automatically become vested and exercised on the earliest date that any of the following occur:</p> <ol style="list-style-type: none"> <li>the Board recommends that the holders of Stapled Securities:               <ol style="list-style-type: none"> <li>accept a takeover bid for the Group; or</li> <li>approve or vote in favour of a scheme of arrangement for the Company;</li> </ol> </li> <li>any person (together with their associates) acquires voting power (within the meaning set out in the Corporations Act) in more than 50% of the Stapled Securities on issue, or any similar event which the Board acting reasonably determines is a change in control of the Group;</li> <li>a resolution is passed for voluntary winding up of the Company or vesting of GDI Property Trust;</li> <li>an order is made for the compulsory winding up of the Company or vesting of GDI Property Trust;</li> <li>the employer of the Participant or business in which the Participant is employed is sold by or transferred out of the Group; or</li> <li>the unstapling of the Stapled Securities.</li> </ol>
Assignment	Performance Rights granted under the Plan are not transferable or assignable.
Administration	The Plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to any applicable ASX Listing Rules) in addition to those set out in the Plan.
Termination and Amendment	The Plan may be terminated or suspended at any time by the Board but any such suspension or termination will not affect nor prejudice rights of any Participant holding Performance Rights at that time. The Plan may be amended at any time by the Board.

**GDI Property Group Limited**

ACN 166 479 189

**GDI Funds Management Limited**

ABN 34 107 354 003, AFSL 253142

as responsible entity of GDI Property Trust, ARSN 166 598 161

**LODGE YOUR VOTE**

**ONLINE**
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**BY MAIL**

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

**BY FAX**

02 9287 0309


**BY HAND**

 Link Market Services Limited  
 1A Homebush Bay Drive, Rhodes NSW 2138

**ALL ENQUIRIES TO**

Telephone: 1300 554 474


**X99999999999**
**PROXY FORM**

I/We being a securityholder(s) of GDI Property Group 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, will act as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (Sydney time) on Thursday, 15 November 2018 in the Carrington Room of the SMC Conference and Function Centre, Ground Floor, 66 Goulburn Street, Sydney (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 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 1 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel (KMP) of GDI Property Group.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**
**VOTING DIRECTIONS**

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

 Please read the voting instructions overleaf before marking any boxes with an ☒
**Resolutions**
**For Against Abstain\***
**1** Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**2** Re-election of Ms Gina Anderson as Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**3** Election of Mr Stephen Burns as Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**4** Issue of Performance Rights under the GDI Property Group Performance Rights Plan to Mr Steve Gillard, Managing Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* 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 Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

## APPOINTMENT OF PROXY

If you wish to appoint the 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 the Company.

## 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.

## PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Voting Form, you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that 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.

If you wish to appoint a Director (other than the Chairman) or other member of the KMP or their closely related parties as your proxy, you must specify how they should vote on Resolutions 1 and 4 by marking the appropriate box (either for/against/abstain). If you do not specify how your proxy should vote, your proxy will not be able to exercise your vote for Resolutions 1 and 4.

## APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

## SIGNING INSTRUCTIONS

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

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

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

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

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

## CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting 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 security registry or online at [www.linkmarketservices.com.au](http://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 **10:30am (Sydney time) on Tuesday, 13 November 2018**, 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. Only Proxy Forms issued by the Company will be deemed valid and accepted by the Company.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://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, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your security-holding.

### QR Code



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



### BY MAIL

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



### BY FAX

02 9287 0309



### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)