

## Notice of Annual General Meeting

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

Time: 10.00am  
Date: Thursday, 23 November 2017  
Venue: Hall & Wilcox  
Level 11, Rialto South Tower  
525 Collins Street  
Melbourne, Victoria 3000



# NOTICE OF ANNUAL GENERAL MEETING 2017

Notice is given that the Annual General Meeting of Shareholders of APN Property Group Limited (**Company**) will be held at the offices of Hall & Wilcox, Level 11, Rialto South Tower, 525 Collins Street, Melbourne, Victoria on 23 November 2017 commencing at 10.00 am.

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

## BUSINESS OF THE ANNUAL GENERAL MEETING

### 1 Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report, each for the financial year ended 30 June 2017.

### 2 Remuneration Report (Resolution 1)

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

*'That the Remuneration Report for the financial year ended 30 June 2017 be adopted.'*

### 3 Re-election of Director (Resolution 2)

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

*'That Christopher Aylward, who retires by rotation in accordance with clause 4.3(c) of the Constitution, and being eligible, be re-elected as a Director.'*

### 4 Re-election of Director (Resolution 3)

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

*'That Clive Appleton, who retires by rotation in accordance with clause 4.3(c) of the Constitution, and being eligible, be re-elected as a Director.'*

### 5 Approval of 10% Placement Capacity (Resolution 4)

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

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

## 6 Proposed amendments to the Constitution (Resolution 5)

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

*'That the Constitution be amended, with effect from the close of the Annual General Meeting, in the manner set out in the Explanatory Notes.'*

### Voting entitlement

The Board has determined in accordance with regulation 7.11.37 of the Corporations Regulations that for the purpose of voting at the Annual General Meeting, Shares will be taken to be held by those persons who hold them at 7.00pm (Melbourne time) on 21 November 2017. This means that if you are not the registered holder of a Share at that time you will not be entitled to vote at the Annual General Meeting in respect of that Share.

### Voting by proxy

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

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

#### Directed and undirected proxies

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

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

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

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

'Key management personnel' of the Company for the financial year ended 30 June 2017 are identified in the Remuneration Report, which forms part of the Company's 2017 Annual Report. The 'closely related parties' of the Company's Key Management Personnel are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

## Lodging your proxy

A proxy appointment form is enclosed in this notice of meeting. For the appointment of a proxy to be effective for the Annual General Meeting, the following documents must be received no later than 48 hours before the scheduled time for the Annual General Meeting; that is, by 10.00am on 21 November 2017:

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

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

**Link Market Services Limited Online:** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**By Post:** Locked Bag A 14  
Sydney South NSW 1235

**Delivery:** Level 12, 680 George Street  
SYDNEY NSW 2000

**Facsimile:** (02) 9287 0309

## Bodies corporate

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

## Voting exclusion statements

### Resolution 1

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

- (a) a member of the Key Management Personnel whose remuneration is included in the 2017 Remuneration Report; and
- (b) a closely related party (such as close family members and any controlled companies) of such a Key Management Personnel.

However, the Company will not disregard a vote cast on Resolution 1 as a proxy for a person who is entitled to vote and:

- (a) the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- (b) the vote is cast by the chairperson and:
  - (i) the appointment does not specify how the proxy is to vote; and
  - (ii) the appointment expressly authorises the chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

For the purposes of this voting exclusion, Key Management Personnel are the directors and those others persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Remuneration Report for the year ended 30 June 2017. Their 'closely related parties' are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

#### **Resolution 4**

In accordance with the Listing Rules, the Company will disregard any votes cast on Resolution 4 by any person who may participate in the issue of Equity Securities under Resolution 4 and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities in the Company, if Resolution 4 is passed, and any associates of those persons.

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

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

#### **Required Majority**

Resolutions 1, 2 and 3 proposed in this notice of meeting are ordinary resolutions and will be passed if, in each case, more than 50% of the votes cast by Shareholders entitled to vote on each resolution are cast in favour of the relevant resolution.

Resolutions 4 and 5 proposed in this notice of meeting are special resolutions and will be passed if 75% or more of the votes cast by Shareholders entitled to vote on each resolution are cast in favour of the relevant resolution.

# EXPLANATORY NOTES

## 1 Financial Statements and Reports

The Corporations Act requires the following reports in respect of the financial year ended 30 June 2017 to be laid before the Annual General Meeting:

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

Shareholders have been provided with all relevant information concerning these reports in the Annual Report of the Company for the year ended 30 June 2017 (**Annual Report**). A copy of the Annual Report has been sent to each Shareholder (other than those Shareholders who have previously elected not to receive the Annual Report, whether in paper form or electronically). Any Shareholder who has made this election and now wishes to receive a paper or electronic copy of the Annual Report should contact the Company to arrange receipt. The Annual Report can also be viewed, printed and downloaded from the Company's website at [www.apngroup.com.au](http://www.apngroup.com.au).

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

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

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

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

by giving the question to the Company by no later than 10.00am on 16 November 2017 (being 5 business days before the day on which the Annual General Meeting is to be held). The auditor will then compile the questions relevant to the content of the Auditor's Report or the conduct of the audit of the Financial Report into a question list. At or before the start of the Annual General Meeting, the Company will make the question list reasonably available to the Shareholders attending the Annual General Meeting.

## 2 Remuneration Report (Resolution 1)

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

The Remuneration Report forms part of the Directors' Report and is included in the Annual Report for the financial year ended 30 June 2017.

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

- (a) discussion of board policy for determining the nature and amount of remuneration of its Key Management Personnel;
- (b) discussion of the relationship between the Board's policy for determining the remuneration of the Company's Key Management Personnel and the Company's performance;
- (c) if an element of the remuneration of a member of the Company's Key Management Personnel is dependent on satisfaction of a performance condition:
  - (i) a detailed summary of the performance condition;
  - (ii) an explanation of why the performance condition was chosen;
  - (iii) a summary of the methods used in assessing whether the performance condition is satisfied and an explanation of why those methods were chosen; and
  - (iv) if the performance condition involves a comparison with factors external to the Company, a summary of those factors and if any of the factors relate to the performance of another company or companies or a securities index, the identity of that company, companies or index; and
- (d) the remuneration details for each of the Company's Key Management Personnel named in the Remuneration Report for the financial year ended 30 June 2017.

The Board will consider the vote and comments made by Shareholders on the Remuneration Report at the Annual General Meeting when reviewing the Company's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be given the opportunity to vote at the second of those meetings on a resolution that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election. At the Company's 2016 annual general meeting, the number of votes cast by shareholders against the adoption of the Remuneration Report was less than 25% of all votes.

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

'Key management personnel' of the Company for the financial year ended 30 June 2017 are identified in the Remuneration Report, which formed part of the Annual Report. The 'closely related parties' of the Company's Key Management Personnel are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

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

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

### **No recommendation**

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

### **3 Re-election of Director – Christopher Aylward (Resolution 2)**

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

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

Chris commenced his career in real estate in 1972. He has significant experience in the management, marketing, construction and development of residential and commercial real estate.

Prior to his current role, Chris was a principal of Richard Ellis, now CBRE, and responsible for City Sales and Leasing. He joined the Grollo Group as Development Manager and personal assistant to Bruno Grollo, in 1984. In 1987 he became a founding director in Grocon Pty Ltd and a substantial shareholder retiring in 1994 and from the board in 1996. He founded Kooyong Wines and APN PG in 1996 and maintains an interest in the wine industry.

Chris has been a Director of the Company since 1996 (transitioned to Non-Executive Chairman on 1 January 2017) and has been Chairman of the Company since inception and remains its largest shareholder.

#### **Recommendation**

The Board (with Mr Aylward abstaining) recommends that Shareholders vote in favour of Resolution 2.

### **4 Election of non-executive Director – Clive Appleton (Resolution 3)**

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

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

Clive joined the Company as managing director in April 2004 following a successful career in property and funds management, having worked for Australia's leading retail property investment, management and development groups. Clive was instrumental in floating the Company in 2005 and was responsible for managing the Company's Private Funds division for five years. In 2013 he became a non-executive director and an independent director in 2016.

Prior to joining the group, Clive was the Managing Director of the Gandel Group (1997-2004), which included the iconic Chadstone Shopping Centre, where he was involved in the development of \$1 billion worth of property as well as the acquisition and redevelopment of the Myer Brisbane Centre. Between 1990 and 1997 Clive was managing director of Centro Properties Limited (later Federation Centres).

Clive is a Non-Executive Director of Gandel Group (since 1997 and Deputy Chairman since July 2017), Aspen Group (since 2012 and Chairman since 2016), Arrow International (since 2012) and Perth Airports Corporation (since 2014). He is also a Council Member of Cairnmillar Institute.

#### **Recommendation**

The Board (with Mr Appleton abstaining) recommends that Shareholders vote in favour of Resolution 3.



## 5 Approval of 10% Placement Capacity (Resolution 4)

Listing Rule 7.1A enables an Eligible Entity to seek approval by special resolution at its Annual General Meeting to issue Equity Securities up to 10% of its issued capital over a period of up to 12 months after the Annual General Meeting, in addition to those under the 15% annual placement capacity (**10% Placement Capacity**).

An **Eligible Entity** is one that, as at the date of the relevant Annual General Meeting:

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

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and had a market capitalisation at the close of business on 6 October 2017 of \$125,497,125 based on a share price of \$0.40.

The effect of Resolution 4 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the Annual General Meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

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

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

### **(A x D) - E**

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4; and
  - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7. 1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Shares under Listing Rule 7.1.

### **TECHNICAL INFORMATION REQUIRED BY LISTING RULE 7.1A**

In accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

**(a) Minimum price**

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

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

**(b) Date of issue**

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

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

**(c) Risk of dilution**

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

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

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

VOTING DILUTION				
Number of shares on issue (Variable A in formula)	Dilution Variable	\$0.20 (50% decrease in current issue price)	\$0.40 (Current issue price)	\$0.60 (50% increase in current issue price)
313,742,812 (Current)	Additional 10% shares issued	31,374,281	31,374,281	31,374,281
	Funds raised	\$6,274,856	\$12,548,712	\$18,824,569
470,614,218 (50% increase)*	Additional 10% shares issued	47,061,422	47,061,422	47,061,422
	Funds raised	\$9,412,284	\$18,824,569	\$28,236,853
627,485,624 (100% increase)*	Additional 10% shares issued	62,748,562	62,748,562	62,748,562
	Funds raised	\$12,549,712	\$25,099,425	\$37,649,137

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

The table above uses the following assumptions:

- 1 The current number of Shares on issue is the Shares on issue as at 6 October 2017.
- 2 The current issue price is the closing price of the Shares on the ASX on 6 October 2017.
- 3 The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- 4 The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- 5 This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.

Shareholders should note that there is a risk that:

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

**(d) Purpose of issue under 10% Placement Capacity**

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

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

**(e) Allocation under the 10% Placement Capacity**

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

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

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

**(f) Previous approval under Listing Rule 7.1A**

The Company previously obtained approval under Listing Rule 7.1A at its Annual General Meeting on 30 November 2016. The Company has not issued any Equity Securities in the 12 months preceding the date of this notice of meeting pursuant to that approval under Listing Rule 7.1A. For the purposes of the information required to be disclosed under Listing Rule 7.3A.6(b), there have been no issues of Equity Securities by the Company during the previous 12 months.

**Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 4.

## **6 Approval to Amend the Constitution (Resolution 5)**

**(a) Passing a Directors' resolution without a meeting**

*Background to the proposed amendments*

In accordance with clause 6(a) of the Constitution (Directors' resolution without a meeting), the Directors may pass a resolution without a Board meeting if all Directors entitled to vote on that resolution sign a document containing a statement that they are in favour of the resolution set out in the document. While the Constitution expressly allows for this approval to be provided by facsimile transmission, the Constitution does not expressly allow for this approval to be provided by way of electronic signature, or otherwise by consent in writing (for example, through consent via email).

*Proposed amendments*

It is proposed that clause 6(a) of the Constitution be amended to:

- (i) allow the Directors to pass a resolution without a Directors' meeting being held if a majority of the Directors entitled to vote on that resolution have provided their consent in writing; and

- (ii) such consent may be given by a Director either signing a document setting out the terms of the resolution with a statement to the effect that the Director is in favour of the resolution or, alternatively, by giving written notice (by fax or other electronic means):
  - (A) that includes the Director's assent to the particular resolution:
  - (B) that sets out the terms of, or identifies, the particular resolution; and
  - (C) in a manner that is consistent with the means previously specified by the Director including, if applicable, the manner in which such consent can be authenticated.

*Purpose of the proposed amendments*

The proposed amendments to clause 6(a) of the Constitution are intended to reflect current practices for directors confirming their agreement to resolutions and other matters and to increase the efficiency by which a resolution of the Directors can be passed without a meeting. These changes are also not inconsistent with the manner in which decisions are passed at a meeting, which is by a majority of Directors present and entitled to vote.

**(b) Payment to persons entitled to an amount in respect of a Share**

*Background and purpose of the proposed amendments*

In accordance with clause 14.2 of the Constitution (*Payments*), the Company may pay a person who is entitled to an amount payable in respect of a Share (including by way of dividend) by crediting that person's nominated account, by cheque payable to the person, or in any other manner approved by resolution of the Directors.

*Proposed amendments*

It is proposed that clause 14.2 of the Constitution be amended to remove the power of the Company to pay a person who is entitled to an amount payable in respect of a Share (including by way of dividend) by cheque.

*Purpose of the proposed amendments*

If the proposed amendments are approved, the Company will no longer be given the express power to pay a person who is entitled to an amount payable in respect of a Share by cheque.

Additionally, the Company will only be permitted to make payments to persons entitled to an amount in respect of a Share by crediting that person's nominated account (or as otherwise approved by the Directors). This will be of benefit to the Company by increasing the ease and efficiency by which these payments can be made, and will bring the payment methods of the Company in line with current market practice.

**(c) Approval of proportional takeover bid by postal ballot**

*Background and purpose of the proposed amendments*

In accordance with clause 11.12 of the Constitution and the Corporations Act, a resolution of the Shareholders is required to approve a proportional takeover bid for securities in the Company.

The resolution of Shareholders to approve a proportional takeover bid can currently only be passed at a general meeting of members, and there is no power for the Directors to elect to conduct a postal ballot to pass that resolution. Section 648D(1) of the Corporations Act

allows the Company to include the power to pass a resolution approving a proportional takeover bid by postal ballot in the Constitution.

#### *Proposed amendments*

It is proposed that clause 11.12(c) of the Constitution be amended to allow a resolution of Shareholders approving a proportional takeover bid to be passed either at a general meeting or by way of postal ballot. The basic procedure to be followed in conducting the postal ballot would also be outlined in the Constitution.

#### *Purpose of the proposed amendments*

If the proposed amendments are approved, the Directors will have the option to use a postal vote to seek the requisite approval from Shareholders in the event that a proportional takeover bid is made for securities in the Company. This will be of benefit to the Company in that if the Directors determine that postal ballot is the appropriate means by which the resolution should be approved, the cost of passing that resolution may be reduced, and the efficiency by which the resolution of Shareholders can be passed may be increased.

The proposed amendments will have no effect on the Company's power to approve a proportional takeover by way of a resolution passed at a general meeting, or the proportion of votes required to pass the resolution.

The proportional takeover provisions in the Constitution were approved at the Company's 2016 Annual General Meeting, as required by the Corporations Act to remain effective.

#### **(d) Minor updates**

There are also minor amendments to the Constitution reflecting updates to various details that have been amended since the Constitution was adopted (for example, changing the entity name of ASX Limited in the definitions section and removing the outdated address of the Company).

The proposed amendments are set out in the amended (marked-up) Constitution that will be tabled at the Annual General Meeting and signed by the Chair for the purposes of identification.

#### **Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5.

## **7 Definitions**

**10% Placement Capacity** has the meaning given in section 5 of the Explanatory Notes.

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

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

**Board** means the board of Directors.

**Company** means APN Property Group Limited ACN 109 846 068.

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

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Director** means a director of the Company.

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

**EFT** means electronic funds transfer.

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

**EPS** means earnings per Share. For the purposes of determining the Company's EPS, the Board will exclude any 'acquisition fees' and 'disposal fees' paid to the Company, but will include all success and performance fees paid to the Company.

**Equity Security** has the meaning given to that term in the Listing Rules.

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

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

**Key Management Personnel** has the meaning given to that term in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**Listing Rules** means the listing rules of the ASX.

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

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

**Shareholder** means a shareholder in the Company.



**APN** | Property Group  
ABN 30 109 846 068

**APN Property Group Limited**

Level 30, 101 Collins Street,  
Melbourne, Victoria 3000

Telephone (03) 8656 1000

Email [apnpg@apngroup.com.au](mailto:apnpg@apngroup.com.au)

Website [apngroup.com.au](http://apngroup.com.au)



## LODGE YOUR VOTE



## ONLINE

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

## BY MAIL

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



## BY FAX

+61 2 9287 0309



## 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 554 474



X99999999999

## PROXY FORM

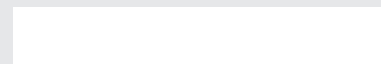
I/We being a member(s) of APN Property Group Limited (the **Company**) and entitled to attend and vote hereby appoint:

## 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 the Company to be held at **10:00am on Thursday, 23 November 2017 at the offices of Hall & Wilcox, Level 11, Rialto South Tower, 525 Collins Street, Melbourne, Victoria (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** 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 Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**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\*

For Against Abstain\*

1 Adoption of the Remuneration Report

☐ ☐ ☐

5 Approval of proposed amendments to the Constitution

☐ ☐ ☐

2 Re-election of Director – Mr Christopher Aylward

☐ ☐ ☐

3 Re-election of Director – Mr Clive Appleton

☐ ☐ ☐

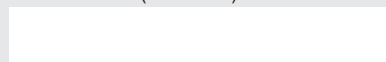
4 Approval of 10% Placement Capacity

☐ ☐ ☐

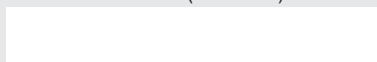

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

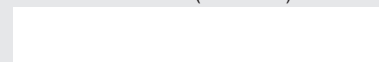
Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

APD PRX1701C

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

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

### APPOINTMENT OF 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 shareholder 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 Resolution is 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 shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](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 **10:00am on Tuesday, 21 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



#### ONLINE

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



#### BY 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 shareholding.

#### 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

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

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

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

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**