



**GPT**

The GPT Group

# GPT AGM 2018

NOTICE OF MEETING  
& EXPLANATORY  
MEMORANDUM



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# CHAIRMAN'S LETTER

Dear Securityholders,

I am pleased to invite you to GPT's 2018 Annual General Meeting (AGM). The meeting will be held at the Amora Hotel Jamison Sydney, Whiteley Ballroom, Level 2, 11 Jamison Street, Sydney NSW on Wednesday, 2 May 2018 at 10.00am (Sydney time). The meeting will also be webcast live on [www.gpt.com.au](http://www.gpt.com.au).

Enclosed is the Notice of Meeting and Explanatory Memorandum explaining the formal business of the meeting and enclosing the Proxy Form. If you plan to attend the AGM, please bring this voting form with you as it contains a barcode to make your registration easier.

Securityholders may also use the Proxy Form to appoint a proxy if they are unable to attend in person, or can lodge their proxy vote online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) (please see the following Notice of Meeting and Proxy Form for more information).

In conjunction with this Notice of Meeting, GPT has also published its 2017 Annual Review as well as its 2017 Annual Financial Report for the financial year ended 31 December 2017. If you have elected to receive either report by post, a copy of it will accompany this Notice of Meeting. These reports are also available on the GPT website ([www.gpt.com.au](http://www.gpt.com.au)) and I encourage you to view them online.

The 2018 AGM will be my last as Non-Executive Chairman of the GPT Group. I will be retiring from the Board at the end of the AGM and I would like to take this opportunity to thank the investors for their continued support. I have enjoyed being part of the GPT Board since 2009.

We are pleased to offer Ms Vickki McFadden for election to the Board as an independent Non-Executive Director. Ms McFadden was appointed to the GPT Board as a Non-Executive Director on 1 March 2018 and brings a broad range of skills and experience to the Board with her background in investment banking, corporate finance and law. Ms McFadden's election is supported by all Directors and, if elected, Ms McFadden will become the new Chairman of the GPT Board following the AGM.

The AGM will commence with a presentation from myself, followed by Bob Johnston, Chief Executive Officer and Managing Director. This will be followed by the formal items of business and there will be time for general questions.

You may also submit questions by using the form at the back of the Notice. Alternatively, please email these to the attention of GPT Investor Relations at [ir@gpt.com.au](mailto:ir@gpt.com.au) (or post to Investor Relations, GPT Group, Level 51, 19 Martin Place, Sydney NSW 2000).

At the conclusion of the AGM, I invite you to join the Board and our Leadership Team for refreshments. I look forward to seeing as many of you as possible on the day.

Yours sincerely



**Rob Ferguson**  
Chairman



Rob Ferguson  
CHAIRMAN

# NOTICE OF MEETING

## Annual General Meeting of GPT Management Holdings Limited and Annual General Meeting of the General Property Trust (together, GPT)

Notice is given that a meeting of Securityholders of GPT Management Holdings Limited (ACN 113 510 188) (the **Company**) will be held in conjunction with a meeting of Unitholders of General Property Trust (ARSN 090 110 357) (the **Trust**) (together, the **Meeting**) at:

**TIME:** 10:00am (Sydney time)

**DATE:** Wednesday, 2 May 2018

**PLACE:** Amora Hotel Jamison Sydney,  
Whiteley Ballroom, Level 2,  
11 Jamison Street, Sydney NSW

The Responsible Entity of the Trust is GPT RE Limited (ACN 107 426 504, AFSL 286511).



# BUSINESS OF THE MEETING

## ORDINARY BUSINESS

### ITEM 1: DIRECTORS' REPORT, AUDITOR'S REPORT AND FINANCIAL STATEMENTS

To receive the Directors' Report and Financial Statements for the year ended 31 December 2017 together with the Auditor's Report.

### ITEM 2: RESOLUTIONS

#### **Resolution 1 – Re-election of Mr Lim Swe Guan as a Director**

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

“That Mr Lim Swe Guan, who retires in accordance with rule 49 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.”

#### **Resolution 2 – Election of Ms Vickki McFadden as a Director**

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

“That Ms Vickki McFadden, having been appointed as a Director of the Company since the last Annual General Meeting and who ceases to hold office in accordance with rule 48(d) of the Company's Constitution, and being eligible, is elected as a Director of the Company.”

#### **Resolution 3 – Adoption of Remuneration Report**

To consider and, if thought fit, pass the following non-binding resolution of the Company:

“That the Remuneration Report for the year ended 31 December 2017 be adopted.”

Votes on this resolution are advisory only and do not bind the Directors, the Company or the Responsible Entity.

## OTHER BUSINESS

#### **Resolution 4 – Grant of performance rights to the Company's Chief Executive Officer and Managing Director, Robert Johnston (2018 deferred short term incentive)**

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

“That approval is given for all purposes, to grant to the Company’s Chief Executive Officer and Managing Director, Mr Robert Johnston, Performance Rights as the deferred component of his short term incentive for 2018 under the GPT Group Stapled Security Rights Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting.”

**Resolution 5 – Grant of performance rights to the Company’s Chief Executive Officer and Managing Director, Robert Johnston (long term incentive)**

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

“That approval is given for all purposes, to grant to the Company’s Chief Executive Officer and Managing Director, Mr Robert Johnston, Performance Rights as his long term incentive under the GPT Group Stapled Security Rights Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting.”

**Resolution 6 – Proportional takeover provisions**

To consider and, if thought fit, pass the following special resolution of the Company and the Trust:

“That:

- in the case of the Constitution of the Company, rules 79 and 80 be renewed; and
- in the case of the Constitution of the Trust, rule 12A be renewed,

for a further three year period, as set out in the Explanatory Memorandum to this Notice of Meeting.”

## VOTING EXCLUSIONS

The Responsible Entity and its associates are not entitled to vote their interest on a resolution if they have an interest in the resolution or matter other than as a member.

### RESOLUTION 3 (ADOPTION OF REMUNERATION REPORT)

In respect of Resolution 3, in accordance with the *Corporations Act 2001* (Cth) (the **Corporations Act**), the Company will disregard any votes cast:

- in any capacity, by or on behalf of a member of the key management personnel (**KMP**) whose remuneration is disclosed in the Remuneration Report and their closely related parties (such as close family members and any controlled companies); or

- as proxy by a member of the KMP at the date of the Meeting and their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the Meeting in accordance with an express authorisation in the Proxy Form to vote as the proxy decides, even though Resolution 3 is connected with the remuneration of the KMP.

### **RESOLUTIONS 4 AND 5 (GRANTS OF PERFORMANCE RIGHTS TO THE COMPANY'S CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR, ROBERT JOHNSTON)**

In respect of Resolutions 4 and 5, in accordance with the ASX Listing Rules and the Corporations Act:

- the Company and the Trust will disregard any votes cast in favour of Resolutions 4 and 5 in any capacity by or on behalf of Mr Johnston or any of his associates; and
- in the case of the Company, the Company will disregard any votes cast as a proxy by a member of the KMP at the date of the Meeting and their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the Meeting in accordance with an express authorisation in the Proxy Form to vote as the proxy decides, even though Resolutions 4 and 5 are connected with the remuneration of the KMP.

**By order of the Board**



**James Coyne**  
**Company Secretary**  
**March 2018**

# NOTES RELATING TO VOTING

## EXPLANATORY MEMORANDUM

The resolutions contained in this Notice of Meeting should be read in conjunction with the attached Explanatory Memorandum. The Explanatory Memorandum forms part of this Notice of Meeting.

## VOTING ENTITLEMENT

The Directors have determined that for the purposes of determining voting entitlements at the Meeting, Stapled Securities will be taken to be held by persons who are registered as Securityholders at **7:00pm (Sydney time) on Monday, 30 April 2018**. Accordingly, security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## HOW DO YOU EXERCISE YOUR RIGHT TO VOTE?

The vote on each resolution will be decided on a show of hands or a poll as determined by the Chairman subject to any requirements of the Corporations Act and the Constitutions of the Company and the Trust.

In a resolution of the Company or Trust determined by a show of hands, each Securityholder present in person or by proxy has one vote. If your Stapled Securities are jointly held, only one of the joint holders is entitled to vote on a show of hands (see below).

In a resolution of the Company determined by poll, each Securityholder present in person or by proxy has one vote for each fully paid ordinary Stapled Security held. On a poll, you need not exercise all of your votes in the same way, nor need you cast all of your votes.

In a resolution of the Trust determined by poll, each Securityholder present in person or by proxy has one vote for every dollar of the total interest they have. The value of a Securityholder's total interest in the Trust will be calculated by reference to the last sale price of the Stapled Securities on the ASX on **Tuesday, 1 May 2018**.

## JOINTLY HELD STAPLED SECURITIES

If your Stapled Securities are jointly held, only one of the joint holders is entitled to vote. If more than one Securityholder votes in respect of jointly held Stapled Securities, only the vote of the Securityholder whose name appears first in the register will be counted.

## INDIVIDUALS

Where a Securityholder appoints an attorney to act on his or her behalf at the Meeting, such appointment must be made by a duly executed power of attorney. The power of attorney must be received by GPT's registry by **10:00am (Sydney time) on Monday, 30 April 2018**, unless it has been previously provided.

If you plan to attend the Meeting, we ask that you arrive 30 minutes prior to the time designated for the Meeting so that we may check the value of your Stapled Securities against the register of Securityholders and note your attendance.

## CORPORATIONS

Where a corporation that is a Securityholder appoints a person to act as its representative, the appointment must comply with sections 250D (for the meeting of the Company) and 253B (for the meeting of the Trust) of the Corporations Act. The appointment must be received by GPT's registry by **10:00am (Sydney time) on Monday, 30 April 2018**.

Alternatively, the representative must bring to the Meeting satisfactory evidence of his or her appointment, including any authority under which it was signed.

## VOTING BY PROXY

If you cannot or do not wish to attend the Meeting, you may appoint a proxy to attend and vote for you. The proxy does not need to be a Securityholder. If you appoint two proxies, you may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not, each will be entitled to vote half of your votes. Where more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.

A Proxy Form must be signed by the Securityholder or their attorney or, in the case of a corporation, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the Proxy Form is signed by an attorney or by an authorised officer of a corporation, the power of attorney or other authority must accompany the Proxy Form unless it has previously been provided to GPT. If the Proxy Form is sent by fax, any accompanying power of attorney or other authority must be certified.

Where a Securityholder appoints a body corporate as proxy, that body corporate will need to ensure that:

- it appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D (for the meeting of the Company) and 253B (for the meeting of the Trust) of the Corporations Act; and
- the instrument appointing the corporate representative is received by GPT's registry by 10:00am (Sydney time) on Monday, 30 April 2018. Alternatively, the representative must bring to the Meeting satisfactory evidence of his or her appointment, including any authority under which it was signed.

Proxy Forms should be completed and returned by no later than

**10:00am (Sydney time) on Monday, 30 April 2018.**

To ensure that all Securityholders can exercise their right to vote on the resolutions, a Proxy Form is enclosed together with a reply paid envelope. You can lodge the Proxy Form by sending it in the reply paid envelope or otherwise posting, delivering or faxing it to:

**The GPT Group**

C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

Or

**Link Market Services Limited**

Level 12  
680 George Street  
Sydney NSW 2000

Fax: +61 2 9287 0309

Or

**Link Market Services Limited**

1A Homebush Bay Drive  
Rhodes NSW 2138

You can also lodge your Proxy Form online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by mobile device (see the Proxy Form for further instructions).

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the Proxy Form. If in respect of any of the items of business you do not direct your proxy how to vote, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions. If you mark the abstain box for a particular item you are directing your proxy not to vote on your behalf and your Stapled Securities will not be counted in computing the required majority on a poll. Please refer to the Proxy Form for further instructions.

The Chairman of the Meeting is deemed to be appointed where a signed Proxy Form is returned which does not contain the name of a proxy. In addition, if you direct your proxy how to vote and your nominated proxy does not attend, or attends but does not vote, on a poll, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.

For all resolutions that are directly or indirectly related to the remuneration of a member of the KMP (being Resolutions 3, 4 and 5 of this Notice of Meeting), the Corporations Act prohibits KMP (other than the Chairman) and their closely related parties from voting as your proxy unless you direct them how to vote. 'Closely related party' is defined in the Corporations Act and includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP.

If the Chairman of the Meeting is your proxy, you can direct the Chairman of the Meeting to vote for or against, or to abstain from voting on a resolution by marking the appropriate box opposite the relevant item on the Proxy Form. However, if the Chairman of the Meeting is your proxy and you do not mark any of the boxes opposite Resolutions 3, 4 or 5, then by signing and returning the Proxy Form you will be expressly authorising the Chairman to vote as he sees fit in respect of the relevant resolution even though it is connected with the remuneration of GPT's KMP.

The Chairman intends to vote available undirected proxies in favour of all resolutions.

If you have any questions or would like a copy of the Company or Trust Constitutions, please contact the GPT Securityholder Service Centre on 1800 025 095 (free call within Australia) or +61 1800 025 095 (outside Australia), between 8am and 5pm (Sydney time) Monday to Friday.

# EXPLANATORY MEMORANDUM

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

## ORDINARY BUSINESS

### ITEM 1 — DIRECTORS' REPORT, AUDITOR'S REPORT AND FINANCIAL STATEMENTS

The Directors' Report, Auditor's Report and Financial Statements for the year ended 31 December 2017 will be tabled at the joint Annual General Meetings (the **Meeting**) of GPT Management Holdings Limited (the **Company**) and General Property Trust (the **Trust**) (together, **GPT**).

GPT's Directors' Report, Auditor's Report and Financial Statements are included in GPT's Annual Financial Report. A copy of GPT's Annual Financial Report for the year ended 31 December 2017 is available on GPT's website ([www.gpt.com.au](http://www.gpt.com.au)) or can be obtained by contacting Link Market Services Limited at the address included in the Notice of Meeting.

During this item of business, an opportunity will be given to Securityholders to ask questions about or make comments on the Directors' Report, Auditor's Report and Financial Statements, as well as the management of GPT.

GPT's external auditor, PricewaterhouseCoopers (the **Auditor**), will be present at the Meeting and will be available to answer questions relevant to the conduct of the audit, including the independence of the Auditor, the preparation and content of the Auditor's Report, and the accounting policies adopted by the Company in relation to the preparation of its financial statements.

Securityholders may also submit written questions to the Auditor relevant to the content of the audit report for the Company or the conduct of the audit for the Company. A list of those relevant written questions will be made available to Securityholders who attend the Meeting. The Auditor will

either answer the questions at the Meeting or table written answers to them at the Meeting. If written answers are tabled at the Meeting, they will be made available to Securityholders as soon as practicable after the Meeting.

If you have any written questions for the Auditor, please complete the attached Securityholder Question Form and send it:

- to GPT's registered office Level 51, 19 Martin Place, Sydney, NSW 2000, Attention Company Secretary;
- to Link Market Services Limited using the reply paid envelope;
- by facsimile to +61 2 9287 0309; or
- by email to GPT Investor Relations at [ir@gpt.com.au](mailto:ir@gpt.com.au),

by no later than 5:00pm (Sydney time) on Tuesday, 24 April 2018.

## ITEM 2 — RESOLUTIONS

### **Resolution 1 – Re-election of Mr Lim Swe Guan as a Director**

Mr Lim Swe Guan was last elected at the 2015 Annual General Meeting. In accordance with rule 49 of the Company's Constitution, he retires, and being eligible, offers himself for re-election as a Non-Executive Director of the Company.

As a consequence of the arrangements put in place between the Company and the Responsible Entity of the Trust, any vote on the election or re-election of a Director of the Company is also a vote on them holding office as a Director of the Responsible Entity.

Mr Lim is an independent Non-Executive Director and was appointed to the Board in March 2015. He brings extensive experience in property. As a Managing Director in the Government Investment Corporation of Singapore (GIC) he was Regional Head of Property Investment for Australia, Japan and South East Asia and the Global Head of GIC's Corporate Investment Group. Mr Lim was previously a portfolio manager at Suncorp Bank and securities analyst for Kim Eng Securities Pte Ltd and Alfa Securities Asia Pacific. He is currently Chairman of Cromwell European REIT in Singapore, a Director of Sunway Berhad in Malaysia and Chairman of the Asia Pacific Real Estate Association. Swe Guan was also previously a director of Global Logistics Properties in Singapore.

Mr Lim is a member of the Audit Committee and the Sustainability and Risk Committee.

### **Recommendation**

The Directors (other than Mr Lim Swe Guan) unanimously recommend that Securityholders vote in favour of the re-election of Mr Lim Swe Guan as a Director.

## **Resolution 2 – Election of Ms Vickki McFadden as a Director**

Ms Vickki McFadden was appointed to the Board as an independent Non-Executive Director on 1 March 2018. In accordance with rule 48(d) of the Company's Constitution, a Director appointed by the Board either to fill a casual vacancy or as an addition to the Board may hold office until the next Annual General Meeting of the Company and is then eligible for election at that Meeting. This is Ms McFadden's first Annual General Meeting since being appointed to the Board and, being eligible, she offers herself for election.

As a consequence of the arrangements put in place between the Company and the Responsible Entity of the Trust, any vote on the election or re-election of a Director of the Company is also a vote on them holding office as a Director of the Responsible Entity.

Ms McFadden worked for 18 years in the areas of investment banking, corporate finance and corporate law, previously as the Managing Director, Investment Banking at Merrill Lynch (Australia) Pty Ltd.

Ms McFadden is currently a non-executive director of Tabcorp Holdings Limited, Newcrest Mining Limited and President of the Takeovers Panel. Previously Ms McFadden was Chairman of Skilled Group Limited prior to its acquisition by Programmed Maintenance Services Limited and Chairman of eftpos Payments Australia Limited. She was also formerly a non-executive director of Leighton Holdings Limited.

Ms McFadden is a member of Chief Executive Women, a member of the Advisory Board and Executive Committee of the UNSW Business School and a non-executive director of Myer Family Investments Pty Limited. Ms McFadden holds a Bachelor of Commerce and Bachelor of Laws and is also a member of the Australian Institute of Company Directors.

### **Recommendation**

The Directors (other than Ms McFadden) unanimously recommend that Securityholders vote in favour of the election of Ms McFadden as a Director.

### **Resolution 3 — Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Board is presenting GPT's Remuneration Report for the year ended 31 December 2017 to Securityholders for consideration and adoption by a non-binding vote.

The Remuneration Report commences on page 13 of GPT's Annual Financial Report. In accordance with the Corporations Act, the Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of GPT and the link between the remuneration of employees and GPT's performance; and
- sets out the remuneration arrangements in place for each Director and those members of the senior management team with authority and responsibility for planning, directing and controlling the activities of GPT.

An opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Securityholder vote on the Remuneration Report is advisory only and does not bind the Directors, the Company or the Responsible Entity. However, the Directors will take into account the outcome of the vote when considering the future remuneration arrangements of GPT.

#### **Voting exclusion**

A voting exclusion applies to this resolution as set out in the Notice of Meeting under the heading 'Voting Exclusions'.

#### **Recommendation**

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

## **OTHER BUSINESS**

### **RESOLUTION 4 – GRANT OF PERFORMANCE RIGHTS TO THE COMPANY'S CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR, ROBERT JOHNSTON (2018 DEFERRED SHORT TERM INCENTIVE)**

It is intended that Mr Johnston's 2018 Short Term Incentive Compensation (**STIC**) award will be delivered 50% in cash and 50% in the form of performance rights (**Rights**) granted under the GPT Group Stapled Security Rights Plan (**Plan**).

In accordance with ASX Listing Rule 10.14, GPT is seeking the approval of Securityholders for the proposed grant of Rights to Mr Johnston on the terms set out below.

## Terms and Conditions

If Securityholder approval is obtained, the Rights will be granted:

- as part of Mr Johnston's STIC remuneration for 2018;
- under the terms of the Plan; and
- at no cost to Mr Johnston. No amount is payable on conversion of the Rights to Stapled Securities if performance conditions are met or when Stapled Securities vest.

Each Right is a conditional entitlement to one fully paid Stapled Security in GPT that will rank equally with those traded on the ASX. The Stapled Securities will be subject to the further conditions outlined below. Rights do not carry any dividend or voting rights until they are converted into Stapled Securities.

The number of Rights to be granted to Mr Johnston under the deferred STIC arrangements for 2018 will be 50% of his stretch STIC opportunity for 2018 (being \$912,500) divided by GPT's quarter 4, 2017 VWAP of \$5.2085, giving, on a rounded basis, 175,194 Rights. The other 50% of Mr Johnston's STIC opportunity will be delivered in cash (to the extent the relevant conditions are met).

## Operation of deferred STIC

The Rights will be granted subject to the achievement of the Key Performance Indicators (**KPIs**) applicable to Mr Johnston's STIC award for 2018. The KPIs will be tested in early 2019 after the end of the 2018 performance year. Performance against the KPIs will be assessed by the Nomination and Remuneration Committee, which will determine the number of Rights that will convert into Stapled Securities. Any Rights that are not converted will lapse.

The KPIs will be based on a performance agreement including 70% financial and 30% non-financial measures. The specific targets for Mr Johnston for 2018 are strategic and confidential at the date of the 2018 AGM because they relate to the current financial year. However, GPT will report on the KPIs and achievement against them in the Remuneration Report for the financial year ended 31 December 2018.

Following performance testing and the allocation of the requisite number of Stapled Securities, the Stapled Securities will be held on trust for an additional period (**Deferral Period**) until they vest on 31 December 2019.

The Stapled Securities may be issued or sourced on or off market.

Because the performance conditions attaching to Mr Johnston's STIC award will have been met as a pre-condition to the conversion of his Rights into Stapled Securities, Mr Johnston will be able to direct the trustee how to vote in respect of the Stapled Securities held on his behalf and will also be entitled to distributions paid during the Deferral Period.

Following vesting of the Stapled Securities, any dealing will be subject to GPT's Personal Dealing Policy. In addition, Mr Johnston is required to comply with the Group's Minimum Security Holding Policy when dealing in Stapled Securities.

### **Treatment of Rights and unvested Stapled Securities on cessation of employment**

If Mr Johnston ceases employment for any reason on or before 30 September 2018, his Rights will lapse.

If Mr Johnston's employment is terminated for cause after 30 September 2018, unvested Rights and Stapled Securities that remain subject to deferral will lapse or be forfeited.

If Mr Johnston's employment is terminated for any other reason after 30 September 2018, subject to the Board's discretion to determine otherwise:

- rights will continue beyond cessation of employment and will vest or lapse depending on whether the performance conditions are achieved; and
- unvested Stapled Securities will continue beyond cessation of employment and will vest or be forfeited subject to their terms.

### **Change of control**

If a change of control of GPT occurs, for example by way of a takeover or scheme of arrangement, the Board may determine that some or all:

- rights will convert into Stapled Securities or lapse; or
- unvested Stapled Securities granted to Mr Johnston will vest, having regard to all relevant circumstances.

### **Other information required by the ASX Listing Rules**

In relation to the Plan:

- Mr Johnston is the only Director entitled to participate in the Plan;
- there is no loan scheme in relation to the Rights;
- since the last approval at the 2017 AGM, 640,625 Rights have been issued under the Plan to Mr Johnston. The Rights were granted at no cost to Mr Johnston, and no amount is payable on vesting of the Rights

- under ASX Listing Rule 7.1, a listed entity has the ability to issue 15% of its issued capital without securityholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without securityholder approval, that issue or agreement to issue uses up part of the 15% capacity available under that rule. However, if approval is given by Securityholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Rights granted to Mr Johnston and any Stapled Securities issued pursuant to this approval will not use up part of the 15% capacity under ASX Listing Rule 7.1.

If approval is received, it is the intention of the Board that the Rights will be granted to Mr Johnston as soon as is practicable following the Meeting, but in any event, no later than 12 months after the date of the Meeting. If approval is not received, Mr Johnston's 2018 STIC award will be paid wholly in cash subject to the Nomination and Remuneration Committee's assessment of his performance against his 2018 KPIs.

#### **Voting exclusion**

A voting exclusion applies to this resolution, as set out in the Notice of Meeting under the heading 'Voting Exclusions'.

#### **Recommendation**

The Directors (other than Mr Johnston) unanimously recommend that Securityholders vote in favour of Resolution 4.

### **RESOLUTION 5 – GRANT OF PERFORMANCE RIGHTS TO ROBERT JOHNSTON (LONG TERM INCENTIVE)**

In accordance with ASX Listing Rule 10.14, GPT is seeking the approval of Securityholders for the proposed grant of Rights to Mr Johnston on the terms set out below.

#### **Terms and conditions**

If Securityholder approval is obtained, the Rights will be granted:

- as part of Mr Johnston's long term incentive (**LTI**) remuneration;
- under the terms of the Plan; and
- at no cost to Mr Johnston, and no amount is payable on vesting of the Rights if performance conditions are met.

Each Right is a conditional entitlement to one fully paid Stapled Security in GPT that will rank equally with those traded on the ASX. Rights do not carry any dividend or voting rights until they vest.

The number of Rights to be granted to Mr Johnston will be equivalent to his stretch LTI opportunity for 2018 of \$2,190,000, divided by GPT's quarter 4, 2017 VWAP of \$5.2085, giving, on a rounded basis, 420,467 Rights.

### Performance measures

The Board has determined that the Rights to be granted to Mr Johnston (if approval is received) will be subject to two performance conditions, outlined below. These performance conditions will be assessed over a three year performance period starting on 1 January 2018 and ending on 31 December 2020 (Performance Period).

Each performance measure will be tested against one half of the Rights to be granted to Mr Johnston under this resolution.

**Total Return (TR)** – This measure will be calculated annually during the Performance Period as the sum of the change in Net Tangible Assets (NTA) plus distributions each year, divided by the NTA at the beginning of the year. The annual results will then be used to calculate the time weighted compound TR for the three year Performance Period, and it is this result that will be compared against the TR range to determine a vesting outcome.

For the 2018 grant, the TR Range is between 8.5% and 10.0%. Vesting will be determined on a sliding scale, with 10% vesting at 8.5% TR and 100% vesting at 10.0% TR. Between these points, the level of pro-rata vesting will be calculated on a straight-line basis.

**Relative Total Shareholder Return (TSR)** – This measure compares GPT's TSR performance with the TSR performance of the ASX 200 A-REIT Accumulation Index (including GPT) (the **Index**) over the Performance Period. TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in Stapled Securities and the final value of those Stapled Securities at the end of the relevant period, assuming distributions were reinvested, or such other method of calculation as determined by the Board.

Vesting will occur as follows:

	Relative performance of GPT's TSR against the Index	Percent vesting of TSR hurdled Rights
	Below Index performance	0% vesting
<b>Threshold</b>	Index performance	10% vesting
<b>Maximum</b>	Index performance plus 10% over the three year period	100% vesting
	Between Threshold and Maximum	Pro-rata straight line vesting between 10% and 100%.

Taken together, these performance measures create an LTI scheme that is aligned to GPT's strategy to deliver sustained, superior returns in the following manner:

- the TR measure assesses total returns from real estate over the long term. It will focus on ensuring that GPT's portfolio is adding value from both an investment and an income perspective;
- relative TSR performance measures GPT's ability to deliver superior securityholder returns relative to its peers and competitors in the A-REIT sector.

There will be no re-testing of performance at the end of the Performance Period for any grants made under this resolution. If performance conditions are not met, the Rights will lapse.

### **Trading of securities once vested**

At Mr Johnston's option, Stapled Securities allocated upon vesting of the Rights will be subject to a trading restriction for up to seven years from the date the Rights are granted. The restriction on vested Stapled Securities will be lifted upon earlier cessation of employment. In addition, the Board may lift this restriction on trading upon application in exceptional circumstances. Any dealing in Stapled Securities will be subject to GPT's Personal Dealing Policy.

In addition, Mr Johnston is required to comply with the Group's Minimum Security Holding Policy when dealing in Stapled Securities.

### **Treatment of Rights on cessation of employment**

Unvested Rights will lapse if Mr Johnston's employment is terminated for cause. If Mr Johnston's employment ceases for any other reason, some or all unvested Rights may continue beyond cessation of employment and will vest or lapse depending on whether the performance conditions are achieved, subject to the Board's discretion to determine otherwise.

### **Change of control**

If a change of control of GPT occurs, for example by way of a takeover or scheme of arrangement, the Board may determine that some or all Rights granted to Mr Johnston will vest, having regard to relevant performance indicators.

## **Other information required by the ASX Listing Rules**

In relation to the Plan:

- Mr Johnston is the only Director entitled to participate in the Plan;
- there is no loan scheme in relation to the Rights;
- details regarding the Rights that have been issued to Mr Johnston under the Plan since the last approval at the 2017 AGM are set out in the explanatory note to Resolution 4;
- if approval is given by Securityholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. See the explanatory note to Resolution 4 for further details.

If approval is received, it is the intention of the Board that the Rights will be granted to Mr Johnston as soon as is practicable following the Meeting, but in any event, no later than 12 months after the date of the Meeting.

### **Voting exclusion**

A voting exclusion applies to this resolution, as set out in the Notice of Meeting under the heading 'Voting Exclusions'.

### **Recommendation**

The Directors (other than Mr Johnston) unanimously recommend that Securityholders vote in favour of Resolution 5.

## RESOLUTION 6 — PROPORTIONAL TAKEOVER PROVISIONS

The Corporations Act permits a company or a trust to include provisions in its constitution which enable the company or trust to refuse to register a transfer of shares or units under a proportional (or partial) takeover offer, unless a resolution is first passed by securityholders approving the offer.

Rules 79 and 80 of the Constitution of the Company and rule 12A of the Constitution of the Trust (**Trust Constitution**) currently contain provisions dealing with proportional takeover bids for GPT's Stapled Securities in accordance with the Corporations Act. These rules will cease to have effect after 5 May 2018 and accordingly, it is proposed to renew them. If renewed, rules 79 and 80 of the Company's Constitution and 12A of the Trust Constitution will continue to operate for a period of three years from the date of the Meeting.

The Corporations Act requires the following information to be provided to Securityholders when they are considering the renewal of proportional takeover provisions in the Company's Constitution and the Trust Constitution.

### **Reasons for having proportional takeover approval provisions**

In a proportional takeover bid, the bidder offers to buy a proportion only of each securityholder's shares or units in the target company or trust. This means that control of the company or trust may pass without securityholders having the chance to sell all their shares or units to the bidder. The bidder may take control of the company or trust without paying an adequate amount for gaining control.

To deal with this possibility, a company or a trust may provide in its constitution that if a proportional takeover bid is made for shares in the company or units in the trust, securityholders are required to vote by ordinary resolution on whether to accept or reject the offer and that decision will be binding on all the securityholders.

The benefit of the provision is that securityholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

The Directors consider that Securityholders should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of GPT to change without Securityholders being given the opportunity to dispose of all their Stapled Securities for a satisfactory control premium.

## **Effect of the proportional takeover approval provisions**

If a proportional takeover bid is made, the Directors must ensure that Securityholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution and the Trust Constitution.

The bid will be taken to have been approved if the resolution is not voted on. However, the Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for three years after the date they are adopted or renewed. The provisions may be renewed within, or reinserted upon the expiry of, the three year period, but only by special resolution passed by Securityholders.

## **Potential advantages and disadvantages**

While the renewal of rules 79 and 80 in the Company's Constitution and rule 12A in the Trust Constitution will allow the Directors to continue to ascertain Securityholders' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The potential advantages of the proportional takeover approval provisions for Securityholders of GPT are:

- Securityholders will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help Securityholders avoid being locked in as a minority;
- increase in the bargaining power of Securityholders and ensuring that any proportional bid is adequately priced;
- the provisions will ensure that all Securityholders have an opportunity to study a proportional takeover proposal and

vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of Securityholders; and

- knowing the view of the majority of Securityholders may help individual Securityholders assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, the potential disadvantages for Securityholders of the provisions include:

- they may discourage proportional takeover bids;
- the chance of a proportional takeover bid being successful may be reduced;
- they may reduce any speculative element in the market price of the Stapled Securities arising from the possibility of a takeover offer being made;
- Securityholders may lose an opportunity to sell their Stapled Securities at a premium;
- they may be considered to be an unwarranted additional restriction on the ability of Securityholders to freely deal with their Stapled Securities.

The Board considers that the potential advantages for Securityholders of the proportional takeover approval provisions outweigh the potential disadvantages.

As at the date this statement was prepared, no Director is aware of a proposal by a person to acquire, or to increase, a substantial interest in GPT.

### **Recommendation**

The Directors unanimously recommend that Securityholders vote in favour of Resolution 6.

We would like to invite you to submit questions relating to GPT or the business of the meeting prior to the 2018 Annual General Meeting.

You may also submit written questions to the auditor if the questions are relevant to the content of the Auditor's report for the company or the conduct of the audit for the company.

We will endeavour to address as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to securityholders.





# GPT SECURITYHOLDER QUESTION FORM

To submit questions, please complete this question form and post it in the replied paid envelope provided or to GPT's registered office Level 51, 19 Martin Place, Sydney, NSW 2000, Attention Company Secretary, or return it by fax to +61 2 9287 0309. You may also email questions to GPT Investor Relations at [ir@gpt.com.au](mailto:ir@gpt.com.au). Please note that written questions must be received no later than **5:00pm (Sydney time)** on **Tuesday, 24 April 2018**.

## SECURITYHOLDER DETAILS

Securityholder's name:

  

Address:

  
  
  
  

Security Reference Number (SRN) or  
Holder Identification Number (HIN):



## QUESTIONS

Please mark boxes with an **x** if the questions are directed to the auditor.

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