



28 October 2016

Dear Shareholder,

I am pleased to invite you to the 2016 Annual General Meeting (AGM) of Centuria Capital Group (CNI) to held:

**Date:** Tuesday, 29 November 2016  
**Time:** 10:00am  
**Location:** Sofitel Sydney Wentworth  
Hobart Room, Lobby Level  
61-101 Phillip Street  
Sydney NSW 2000

Registration will commence at 9:00am. To assist with registration formalities, please bring the enclosed proxy form with you to the AGM. Light refreshments will be served following the meeting.

The following documents are enclosed with this letter:

- Notice of Meeting including;
  - Items of Business
  - Explanatory Notes
  - Voting Instructions
- Appointment of Proxy form
- A copy of the CNI 2016 Annual Report (if requested)

The Annual Report will also be made available on the Company website [www.centuria.com.au](http://www.centuria.com.au)

Thank you for your support of Centuria during the year and I look forward to seeing you at the meeting.

Yours sincerely,

**Garry Charny**  
Chairman



**Centuria Capital Group**

Consisting of:  
Centuria Capital Limited ABN 22 095 454 336 and  
Centuria Capital Fund ARSN 613 856 358

## **CENTURIA CAPITAL GROUP**

### **NOTICE OF 2016 ANNUAL GENERAL MEETING**

Notice is hereby given that:

- The Annual General Meeting of shareholders of Centuria Capital Limited ACN 095 454 336 (**Company**); and
- A General Meeting of unitholders of Centuria Capital Fund ARSN 613 856 358 (**Fund**)

(together, the **AGM**) will be held concurrently at the Sofitel Sydney Wentworth, Hobart Room, Lobby Level, 61-101 Phillip Street, Sydney, on Tuesday, 29 November 2016 at 10:00 am.

This Notice of Meeting is issued by the Company and by Centuria Funds Management Limited ACN 607 153 588 (**CFML**) in its capacity as responsible entity for the Fund.

The Company's constitution and the Fund's constitution provide that meetings of shareholders of the Company and unitholders of the Fund may be held concurrently whilst shares in the Company are stapled to the units in the Fund. Accordingly, the meeting will be a general meeting of Securityholders of both the Company and the Fund (together, the **Centuria Capital Group**).

Resolutions which are referred to below as being "in respect of the Company only" will be voted on by Securityholders in their capacity as shareholders of the Company. The other resolutions will be voted on by Securityholders both in their capacity as shareholders of the Company and as unitholders of the Fund.

Terms and abbreviations are defined in the Glossary at the end of this Notice of Meeting and Explanatory Notes.

For further information please refer to the Explanatory Notes which accompany this Notice of Meeting. The Explanatory Notes and the proxy form are part of this Notice of Meeting.

## ITEMS OF BUSINESS

**Item 1: Financial Report, Directors' Report and Auditor's Report (in respect of the Company only)**

To receive and consider the Financial Report of the Company, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

**Item 2: Remuneration Report (in respect of the Company only)**

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

*"That the Company's Remuneration Report for the financial year ended 30 June 2016 be adopted."*

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

Voting exclusions apply to this proposed resolution (as described below).

**Item 3: Re-election of Director – Mr John Slater (in respect of the Company only)**

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

*"That Mr John Slater be re-elected as a Director of the Company."*

**Item 4: Re-election of Director – Mr Jason Huljich (in respect of the Company only)**

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

*"That Mr Jason Huljich be re-elected as a Director of the Company."*

**Item 5: Confirmation of Appointment of Director – Mr Garry Charny (in respect of the Company only)**

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

*"That Mr Garry Charny, in accordance with clause 59 of the Company's constitution, and being eligible, is confirmed as being appointed as a Director of the Company."*

**Item 6: Confirmation of Appointment of Director – Ms Susan Wheeldon-Steele (in respect of the Company only)**

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

*“That Ms Susan Wheeldon-Steele, in accordance with clause 59 of the Company's constitution, and being eligible, is confirmed as being appointed as a Director of the Company.”*

**Item 7: Approval of the Centuria Capital Group Executive Incentive Plan**

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

*“That for the purposes of ASX Listing Rules 7.1 and 7.2 and for all other purposes, approval be given to the Centuria Capital Group Executive Incentive Plan (**Plan**), the terms and conditions of which are set out in the Explanatory Notes, and to the issue of performance rights and equity securities under the Plan during the 3 years following the date of this meeting.”*

Voting exclusions apply to this proposed resolution (as described below).

**Item 8: Grant of Performance Rights under the Executive Incentive Plan to Mr John McBain, Mr Jason Huljich and Mr Nicholas Collishaw**

To consider for the purposes of ASX Listing Rule 10.14 (and all other purposes) and, if thought fit, to pass the following resolutions as ordinary resolutions of the Group:

(a) *“Approval be given for the issue of Performance Rights to Mr John McBain under the Centuria Capital Group Executive Incentive Plan on the terms summarised in the Explanatory Notes.”*

(b) *“Approval be given for the issue of Performance Rights to Mr Jason Huljich under the Centuria Capital Group Executive Incentive Plan on the terms summarised in the Explanatory Notes.”*

(c) *“Approval be given for the issue of Performance Rights to Mr Nicholas Collishaw under the Centuria Capital Group Executive Incentive Plan on the terms summarised in the Explanatory Notes.”*

Each resolution in Item 8 will be voted on separately.

Voting exclusions apply to these proposed resolutions (as described below).

## Item 9: Approval of 10% Placement Facility

To consider, and if thought fit, to pass the following resolution as a special resolution of the Group:

*“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given to the issue of Equity Securities of up to 10% of the issued capital of the Group (at the time of issue) calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes.”*

The Chairperson intends to vote all undirected proxies in favour of this resolution.

Voting exclusions apply to this proposed resolution (as described below).

The reasons for this resolution are described in the Explanatory Notes.

## VOTING EXCLUSION STATEMENTS

The *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on four of the items to be considered at the AGM. These voting exclusions are described below.

### Voting Exclusion: Item 2 – Remuneration Report

In respect of the resolution set out in Item 2, in accordance with 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 a closely related party (such as close family members and any controlled companies) of those persons; and
- as proxy by a member of the KMP at the date of the AGM and a closely related party of those persons,

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

- in accordance with a direction on the proxy form; or
- by the Chairperson of the AGM in accordance with an express authorisation in the proxy form to vote as the proxy decides, even though the resolution set out in Item 2 is connected with the remuneration of the KMP.

### **Voting Exclusion: Item 7 – Approval of the Centuria Capital Group Executive Incentive Plan**

In respect of the resolution set out in Item 7, in accordance with the Corporations Act and the ASX Listing Rules the Group will disregard any votes cast:

- in any capacity by a Director of the Company or CFML (except by a Director who is ineligible to participate in the Group's Executive Incentive Plan) and any associate of that Director; and
- as a proxy by a member of the KMP at the date of the AGM or 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 Chairperson of the AGM in accordance with express authorisation in the proxy form to vote as the proxy decides, even though the resolutions set out in Item 7 are connected with the remuneration of the KMP.

### **Voting Exclusion: Item 8 – Grant of Performance Rights under the Executive Incentive Plan to Mr John McBain, Mr Jason Huljich and Mr Nicholas Collishaw**

In respect of the resolutions set out in Item 8, in accordance with the Corporations Act and the ASX Listing Rules the Group will disregard any votes cast:

- in any capacity by a Director of the Company or CFML (except by a Director who is ineligible to participate in the Group's Executive Incentive Plan) and any associate of that Director; and
- as a proxy by a member of the KMP at the date of the AGM or 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 Chairperson of the AGM in accordance with express authorisation in the proxy form to vote as the proxy decides, even though the resolutions set out in Item 8 are connected with the remuneration of the KMP.

## **Voting Exclusion: Item 9 – Approval of 10% Placement Facility**

Votes cannot be cast on Item 9 by:

- a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary Securities, if the resolution is passed; and
- an associate of the person named above.

However, the Group need not disregard a vote if:

- 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
- 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.

## **VOTING INSTRUCTIONS**

### **Voting entitlement**

The Directors of the Company and CFML have determined that persons holding Securities in the Group at 10:00 am (Australian Eastern Daylight Time) on Sunday, 27 November 2016 will, for the purposes of determining voting entitlements at the AGM, be taken to be the Securityholders of the Group.

### **How to vote**

Securityholders may vote by attending the meeting in person, by proxy or by authorised representative.

### **Proxies and authorised representatives**

A Securityholder who is entitled to attend and vote at the AGM has the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Securityholder of the Group.

Securityholders holding two or more Securities can appoint either one or two proxies. Where two proxies are appointed, the appointing Securityholder can specify the number of votes or the proportion of the Securityholder's votes they want each proxy to exercise. If no number or proportion is specified, each proxy may exercise half of the Securityholder's votes. Neither proxy may vote on a show of hands.

Corporate Securityholders must provide the Group with satisfactory evidence of the appointment of any corporate representative, prior to the commencement of the AGM.

A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings; and
- provides the Group with satisfactory evidence of the appointment of its corporate representative prior to commencement of the AGM.

If a proxy appointment is signed by the Securityholder but does not name the proxy or proxies in whose favour it is given, the Chairperson may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Secretary. In addition, if you direct your proxy how to vote and your nominated proxy does not attend the AGM, or attends but does not vote, on a poll on a resolution, the Chairperson of the AGM will act in place of the nominated proxy and vote in accordance with any instructions.

A proxy form and a reply paid envelope are enclosed with this Notice of Meeting. If you wish to appoint two proxies, please obtain an additional form from the Group's Registry or make a photocopy of the enclosed proxy form. To be effective, a duly completed proxy form and the power of attorney (if any) under which the proxy form is signed or a certified copy of the relevant authority must be received at the Registry or at the Group's registered office at least 48 hours before the start of the AGM (being no later than 10.00 am (Australian Eastern Daylight Time) on Sunday, 27 November 2016).

Proxies may be returned as follows:

**By mail or in person to:**

Computershare Investor Services Pty Limited:

**By mail:**

GPO Box 242, Melbourne Victoria 3001  
(a reply paid envelope is enclosed)

**In person:**

Yarra Falls, 452 Johnston Street,  
Abbotsford Victoria 3067

**By facsimile to:**

1800 783 447 (within Australia)  
(+61 3) 9473 2555 (outside Australia)

**Online at:**

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

To use this facility please follow the instructions on your enclosed proxy form.

**Online for Intermediary Online Users only at:**

[www.intermediaryonline.com](http://www.intermediaryonline.com)

## **Undirected proxies**

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each item by marking either “For”, “Against” or “Abstain” against each item of business on the Proxy Form. If in respect of any of the items of business against which 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.

For all resolutions that are directly or indirectly related to the remuneration of a member of the KMP (being the resolutions set out in Items 2, 7 and 8 of this Notice of Meeting), the Corporations Act prohibits the KMP (other than the Chairperson) 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, dependant and certain other close family members, as well as any companies controlled by the KMP.

As per clause 51.6(a) of the Company’s constitution, if the Chairperson of the AGM is your proxy and the appointment directs the way the Chairperson is to vote, the Chairperson must vote on a poll, and must vote as directed, for each item of business on the Proxy Form. However, if the Chairperson is your proxy and you do not direct the way the Chairperson is to vote, then by signing and returning the proxy form you will be expressly authorising the Chairperson to vote as he sees fit in respect of the relevant resolution. The Chairperson intends to vote available undirected proxies in favour of all resolutions.

By order of the Board of Directors.

**James Lonie**  
Company Secretary  
28 October 2016

## **EXPLANATORY NOTES**

These Explanatory Notes have been prepared to provide Securityholders with sufficient information to assess the merits of the resolutions and the business to be conducted at the AGM. You should read the Explanatory Notes in full before making any decisions in relation to the resolutions.

### **Item 1: Financial Report, Directors' Report and Auditor's Report**

The Corporations Act requires the Financial Report (which includes the Directors' Declaration, Directors' Report and Auditor's Report (**Reports**)) to be received and considered at the AGM.

Neither the Corporations Act nor the Company's constitution requires Securityholders to vote on such Reports. Securityholders will, however, be given a reasonable opportunity to ask questions about the Reports at the AGM. A reasonable opportunity will also be given to Securityholders to ask the auditor questions relevant to the conduct of the audit and the preparation and contents of the Auditor's Report.

The Company's 2016 Annual Report is available for Securityholders to access and download from the Company's website at [www.centuria.com.au](http://www.centuria.com.au). If you would like to receive a hard copy of the Annual Report, please contact the Share Registry on 1800 112 929. Securityholders who have specifically requested a hard copy of the 2016 Annual Report will receive it by mail.

### **Item 2: Approval of Remuneration Report**

Securityholders are asked to consider adopting the Company's Remuneration Report. The Remuneration Report contains prescribed information regarding remuneration, is set out in the 2016 Annual Report and is also available from the Company's website ([www.centuria.com.au](http://www.centuria.com.au)).

The Remuneration Report outlines the Company's remuneration arrangements for Directors, the CEO and for certain company executives for the financial year ended 30 June 2016. A reasonable opportunity for discussion of the Remuneration Report will be provided at the AGM.

Securityholders will be requested to vote on the Remuneration Report. However, the Securityholder vote is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

Under the Corporations Act, if 25% or more of votes cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Securityholders will be asked to vote at the second of those AGMs on a "spill" resolution. If that "spill" resolution is passed, another meeting of Securityholders must be held within 90 days and all of the Company's Directors (other than the Managing Director and the Chief Executive Officer) are removed from office immediately prior to meeting and must stand for re-election.

#### *Recommendation*

The Directors do not consider it appropriate to give a recommendation on this proposed resolution as it relates to their remuneration.

### **Item 3: Re-election of Mr John Slater as a Director of the Company**

In accordance with the terms of the Company's constitution, Mr John Slater retires by rotation at the close of the AGM and, being eligible, offers himself for re-election as a Director.

Mr Slater's details are as follows:

John was appointed to the Board in May 2013 having been an adviser to the Centuria Life Friendly Society Investment Committees since 2011.

John was a senior executive in the KPMG Financial Services practice from 1989 to 1999 and acted as State director of the Brisbane practice. He has also served on the Investment Committees of KPMG Financial Services, Berkley Group and Byron Capital.

In 2008, John founded boutique Financial Advisory firm Riviera Capital and has a wealth of financial services experience.

John is also a member of the Audit, Risk Management and Compliance Committee and the Nomination and Remuneration Committee.

#### *Recommendation*

The Directors unanimously support the re-election of Mr Slater as a Director of the Company and recommend that Securityholders vote in favour of this resolution. Mr Slater abstained from participating in any consideration by the Directors on his re-election.

### **Item 4: Re-election of Mr Jason Huljich as a Director of the Company**

In accordance with the terms of the Company's constitution, Mr Jason Huljich retires by rotation at the close of the AGM and, being eligible, offers himself for re-election as a Director.

Mr Huljich's details are as follows:

Jason became the Chief Executive Officer of Centuria Property Funds in 2006 and joined the Board in 2007. In his role he is responsible for providing strategic leadership and ensuring the effective operation of Centuria's property portfolio.

He joined Centuria (formerly Century Funds Management Limited) upon its formation in 1999. In July 2006 Century was acquired by the Over Fifty Group and he was appointed General Manager, Property. Jason has been involved in the unlisted property funds sector in Australia since 1996 and he has developed considerable expertise in investment property selection, acquisition feasibility and funds management.

Jason is President of the Property Funds Association (PFA) and sits on the National Executive Committee. PFA is the peak industry body representing the \$125 billion direct property investment industry.

## **Item 5: Confirmation of Appointment of Director – Mr Garry Charny**

In accordance with clause 59 of the Company's constitution, the Directors appointed Mr Garry Charny as an addition to the Board. Accordingly, Mr Charny holds office until the conclusion of the AGM but is eligible for election at the AGM.

In accordance with clause 59 of the Company's constitution, it is proposed that Mr Charny, being eligible, be elected as a Director.

Mr Charny's details are as below:

Garry was appointed to the Company's Board on 23 February 2016 and appointed as Chairperson of the Board on 30 March 2016.

Mr Charny is the Managing Director and principal of Wolseley Corporate, an Australian corporate advisory and investment house, advising on local and international transactions in jurisdictions including USA, United Kingdom, Malaysia, India and throughout South-East Asia. Wolseley specializes in mergers and acquisitions, strategic corporate advice and contentious matters resolution.

Garry is also Chairperson of Spotted Turquoise Films, an international Film and Television Company based in Sydney and Los Angeles.

He has had broad board experience in both listed and unlisted companies across a diverse range of sectors including property (Trafalgar Corporate, Manboom); retail (Apparel Group, Sportscraft, Saba); technology (General Electric EcXpress, 1<sup>st</sup> Available) and media (Boost Media, Macquarie Radio, April Entertainment).

He was co-founder and Chairperson of Boost Media International, an international media advisory business with offices in Sydney, New York, Toronto, Kuala Lumpur and Delhi and President of Boost Media LLC (USA).

From 1983-1995 he practised as a Barrister-at Law at the Sydney Bar with a specialty in corporate, commercial, equity and media law and was an Adjunct Lecturer in Law at the University of NSW.

### *Recommendation*

The Directors (with Mr Charny abstaining) unanimously recommend that Securityholders vote in favour of the election of Mr Charny.

## **Item 6: Confirmation of Appointment of Director – Ms Susan Wheeldon-Steele**

In accordance with clause 59 of the Company's constitution, the Directors appointed Ms Susan Wheeldon-Steele as an addition to the Board. Accordingly, Ms Wheeldon-Steele holds office until the conclusion of the AGM but is eligible for election at the AGM.

In accordance with clause 59 of the Company's constitution, it is proposed that Ms Wheeldon-Steele, being eligible, be elected as a Director.

Ms Wheeldon-Steele's details are as below:

Susan was appointed to the Company's Board on 31 August 2016.

Susan is the Head of Performance at Google where she works with major national and global companies to develop and deliver growth strategies that future proof and build clients' businesses and brands in a constantly changing environment.

She has previous experience in retail property asset management at AMP Capital Shopping Centres, as Head of Brand & Retail, responsible for delivering alternative revenue from 38 retail assets across Australia and New Zealand with combined annual sales in excess of \$5 billion.

During her career Susan has held a number of senior roles in Australia and the United Kingdom across a diverse range of industries including global law firms DLA Piper and King & Wood Mallesons, working with the Virgin Australia & Virgin Atlantic airline brands, and as Vice President of Groupon.

She holds an MBA from the Australian Graduate School of Management (AGSM) and is a member of Australian Institute of Company Directors.

### *Recommendation*

The Directors (with Ms Wheeldon-Steele abstaining) recommend that Securityholders vote in favour of the election of Ms Wheeldon-Steele.

## **Item 7: Approval of the Centuria Capital Group Executive Incentive Plan (Plan)**

Approval is sought pursuant to the ASX Listing Rules and the Corporations Act to modify the terms of the Company's Executive Incentive Plan (which previously only related to the Company) so that it is applicable to the Centuria Capital Group.

The Company established the Executive Incentive Plan in 2013 as part of its executive remuneration strategy. The Company's shareholders approved the grant of executive performance rights to the Company's three executive directors (namely Mr John McBain, Mr Jason Huljich and Mr Nicholas Collishaw) for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 as part of the long-term incentive component of their remuneration arrangements (**Share Rights**).

Each Share Right entitled the participant to be allocated one Centuria Share at no cost, subject to the satisfaction of vesting conditions and performance hurdles.

**Item 7: Approval of the Centuria Capital Group Executive Incentive Plan (Plan) (continued)**

On 10 October 2016 at an extraordinary general meeting, the shareholders of the Company approved a proposal to form a new stapled group structure, whereby each share in the Company is stapled to a unit in the Fund (**Stapling Proposal**).

Each of the Directors of the Company is also a Director of the Fund.

Following implementation of the Stapling Proposal, it was necessary to update the terms of the Company's Executive Incentive Plan in order to take account of the new stapled group structure.

A key change is that executive Directors will no longer only be issued Share Rights in respect of the Company. Instead the executive Directors will now, subject to Securityholder approval, be allocated Performance Rights under the Centuria Capital Group Executive Incentive Plan (**Plan**). Each Performance Right will entitle the participant to be allocated one Security.

**Key terms**

A summary of the key terms of the Plan are set out below.

| Term                  | Detail   |
|-----------------------|--|
| Purpose               | The Plan will operate to allow the Board to grant awards in the form of Performance Rights for the purpose of equity awards as part of the long term incentive component of remuneration, as determined by the Board from time to time.  |
| Performance Rights    | <p>Each Performance Right is a right to acquire one ordinary Security in the Group (or an equivalent cash amount) upon satisfaction of the vesting conditions, as determined by the Board.</p> <p>Each grant will specify the minimum and maximum number of value of Securities in the Group that the participant may receive if the vesting conditions are satisfied.</p> |
| Security              | A Security is a stapled security in the Centuria Capital Group, comprising one fully paid ordinary share in Centuria Capital Limited and one unit in Centuria Capital Fund.  |
| Eligible Participants | The Board may grant Performance Rights to Executive Directors, and other employees of the Group in senior management roles, who have the capacity to have an impact the long term performance of the Group.  |
| Vesting conditions    | <p>The Board may determine vesting conditions, which may include performance and/or service conditions that must be satisfied before the Performance Rights vest.</p> <p>The vesting conditions will be measured and tested over a period determined by the Board.</p>   |

| Term                                  | Detail   |
|---------------------------------------|--|
| Other terms                           | <p>The Board may determine the terms of the Performance Rights, including whether Performance Rights must be exercised in order to be allocated Securities, whether any price is payable for the grant or upon exercise, and any other lapsing conditions.</p>   |
| Entitlements                          | <p>Performance Rights do not carry any dividend or voting rights.</p> <p>Performance Rights are non-transferable, except in limited circumstances or with the consent of the Board.</p>  |
| Allocation of Securities upon vesting | <p>The Centuria Capital Group may issue new Securities or procure the acquisition of Securities on-market to satisfy vested Performance Rights.</p> <p>The Centuria Capital Group may operate an employee security trust to acquire, hold or provide Securities for the purposes of the Plan.</p> <p>No trading restrictions will be imposed on Securities allocated following vesting, unless the Board determines otherwise.</p>   |
| Cessation of employment               | <p>Where a participant ceases employment with the Centuria Capital Group prior to Performance Rights vesting, the treatment will depend on the circumstances of cessation.</p> <p>Where the participant ceases employment due to resignation, termination for cause or gross misconduct, all unvested Performance Rights will lapse at cessation.</p> <p>Subject to the Board's discretion to apply a different treatment (in accordance with the Plan Rules, as set out below), where a participant ceases employment for any other reason prior to Performance Rights vesting, unvested Performance Rights will continue to exist until the end of the original performance period and vest to the extent that the relevant performance hurdles have been satisfied.</p> <p>The Plan Rules provide the Board with discretion to determine, either at the time of making the grant or at the time of cessation, that a different treatment applies to a participant who ceases employment in appropriate circumstances. Such treatment may include that a pro-rata number of unvested Performance Rights (based on the performance period that has elapsed at the time of cessation), will either vest at cessation or continue to exist until the end of the original performance period and vest to the extent that the relevant performance hurdles have been satisfied.</p> |

| Term                           | Detail  |
|--------------------------------|---|
| Change of control              | <p>Where a change of control event occurs, the Board has a discretion to determine whether any unvested Performance Rights should ultimately vest, lapse or become subject to different vesting conditions.</p> <p>In making such a determination, the Board may have regard to any factors that the Board considers relevant, including the period elapsed, the extent to which the vesting conditions have been satisfied and the circumstances of the event.</p> |
| Fraud, dishonesty and clawback | <p>In the event of fraud, dishonesty or material misstatement of financial statements, the Board may make a determination, including lapsing unvested Performance Rights or 'clawing back' Securities allocated upon vesting, to ensure that no unfair benefit is obtained by a participant.</p>  |
| Adjustment of awards           | <p>The Board has discretion to adjust the number of Performance Rights in the event of a variation of capital to ensure participants do not enjoy a windfall gain or suffer a material detriment as a result of the variation.</p>  |
| Administration of Plan         | <p>The Plan may be administered either by the Board or an external party, including using a trust to acquire, hold, or provide Securities to satisfy the awards.</p> <p>The Board is given the power to make all required determinations under the Plan and to waive or modify the application of the terms of the Plan and the Performance Rights under it as it considers appropriate.</p>  |

A copy of the Plan Rules is available for inspection at the Company's registered office during normal business hours. The Plan Rules were also released to the market on the ASX announcements platform on 12 October 2016.

Approval is also sought in relation to the future issue of securities under the Plan.

ASX Listing Rule 7.1 provides that an ASX listed entity must not issue equity securities that total more than 15% of its fully paid ordinary securities in a 12 month period without Securityholder approval (**15% Rule**).

Under Listing Rule 7.2, Securityholders may approve the issue of equity securities under an employee incentive scheme as an exception to the 15% Rule. If such approval is obtained, any Performance Rights granted under the Plan (and Securities allocated upon vesting of those Performance Rights) would not be counted towards the Group's capacity to issue Securities under the 15% Rule.

This approval continues for three years, at which time it must be renewed, or it will expire. In the absence of such an approval, issues of Securities under the Plan may still be made, but must fall within the 15% Rule at the time of issue.

In the Board's opinion, the resolution will assist the Group in managing its capital requirements efficiently by ensure that the 15% limit is not diminished by issues under the Plan and capacity is available for capital management initiatives and acquisitions, if necessary and appropriate.

Separate Securityholder approval is being sought for the grant of Performance Rights to the Executive Directors (see Explanatory Notes for Item 8 below).

A voting exclusion statement, applicable to Item 7, is set out in the Notice of Meeting.

#### *Recommendation*

The Directors (other than the Mr McBain, Mr Huljich and Mr Collishaw who are to participate in the Plan) unanimously support the resolution in Item 7 and recommend that Securityholders vote in favour of the resolution.

### **Item 8: Grant of Performance Rights under the Executive Incentive Plan to Mr John McBain, Mr Jason Huljich and Mr Nicholas Collishaw**

#### ***Overview of Performance Rights granted under the long term incentive (LTI) component of the remuneration for the Executive Directors***

As described above, the terms of the previous executive incentive plan (which only applied to the Company) have been updated so as to apply to Securities of the Centuria Capital Group. The Executive Incentive Plan (**Plan**) forms a key element of the Centuria Capital Group's incentive and retention strategy for senior executives. The primary objectives of the Nomination and Remuneration Committee and the Board in setting remuneration for the executive Directors and providing them with equity based LTIs under the Plan for the 2017, 2018 and 2019 financial years are to:

- focus the executive Directors on the long term performance of the Centuria Capital Group and creation of securityholder value;
- ensure the executive Directors' remuneration outcomes are aligned with Securityholder interests; and
- ensure the executive Directors' remuneration is competitive and aligned with general market practice of ASX-listed companies.

It is proposed that the following three executive Directors (**Executive Directors**) be granted performance rights as the LTI component of their remuneration under the terms of the Plan:

- Mr John McBain, Group CEO;
- Mr Jason Huljich, CEO, Unlisted Property Funds; and
- Mr Nicholas Collishaw, CEO, Listed Property Funds.

Each Executive Director will be entitled to receive an LTI grant, based on a specified percentage of their total fixed remuneration in the form of performance rights, which are subject to performance conditions (**Performance Rights**). A summary of the key terms of the LTI grant is set out below.

### **Why is Securityholder approval being sought?**

ASX Listing Rule 10.14 requires Securityholder approval in order for a Director to be issued Equity Securities in the Group.

Accordingly, Securityholders are asked to approve the grant of Performance Rights to the Executive Directors on the terms and conditions set out below.

### **Key terms of the Performance Rights**

|   |  |   |     |                     |     |   |     |              |             |
|---|--|---|-----|---------------------|-----|---|-----|--------------|-------------|
| <b>Details of the proposed LTI grant</b>            | <p>The proposed FY2016 grant for:</p> <ul style="list-style-type: none"><li>• Mr McBain is 511,364 Performance Rights over Securities in the Group;</li><li>• Mr Huljich is 256,250 Performance Rights over Securities in the Group; and</li><li>• Mr Collishaw is 256,250 Performance Rights over Securities in the Group.</li></ul> <p>The grants represent the LTI component of their respective remuneration packages (<b>LTI Grant</b>).</p> <p>The maximum number of Performance Rights has been calculated based on 75% of the total fixed remuneration for Mr McBain and 50% of the total fixed remuneration for Mr Huljich and Mr Collishaw. The value of the LTI Grant has then been divided by the volume weighted average price of the Company's shares over the five ASX Trading Days immediately following 18 August 2016, being the date that the Company released its full-year results for the financial year ending 30 June 2016. That volume weighted average price was \$1.10 per share.</p> |   |     |                     |     |   |     |              |             |
| <b>Entitlements</b>                                 | <p>Each Performance Right is a right to acquire one Security in the Group (or an equivalent cash amount), subject to the achievement of the "performance hurdles" set out below.</p> <p>Performance Rights do not carry any dividend or voting rights.</p> <p>Performance Rights are non-transferable, except in limited circumstances or with the consent of the Board.</p>   |   |     |                     |     |   |     |              |             |
| <b>Date of grant</b>                                | <p>If Securityholder approval is obtained, the Performance Rights will be granted to the Executive Directors as soon as practicable after the AGM, but in any event, within 12 months of the AGM.</p>  |   |     |                     |     |   |     |              |             |
| <b>Performance hurdles</b>                          | <p>The Performance Rights will be divided into three tranches (or parts) which have separate performance hurdles.</p> <p>Of the total LTI Grant to an Executive Director, the proportion of the Performance Rights subject to the performance handles will be:</p> <table><tr><td>• Earnings Per Security (<b>EPS</b>) Hurdle</td><td>30%</td></tr><tr><td>• FUM Growth Hurdle</td><td>20%</td></tr><tr><td>• Total Securityholder Return (<b>TSR</b>) Hurdle</td><td>50%</td></tr><tr><td><b>Total</b></td><td><b>100%</b></td></tr></table> <p>The calculation of these three performance hurdles is discussed below.</p>  | • Earnings Per Security ( <b>EPS</b> ) Hurdle | 30% | • FUM Growth Hurdle | 20% | • Total Securityholder Return ( <b>TSR</b> ) Hurdle | 50% | <b>Total</b> | <b>100%</b> |
| • Earnings Per Security ( <b>EPS</b> ) Hurdle       | 30%  |   |     |                     |     |   |     |              |             |
| • FUM Growth Hurdle                                 | 20%  |   |     |                     |     |   |     |              |             |
| • Total Securityholder Return ( <b>TSR</b> ) Hurdle | 50%  |   |     |                     |     |   |     |              |             |
| <b>Total</b>  | <b>100%</b>  |   |     |                     |     |   |     |              |             |

**1. EPS Hurdle (30% of LTI Grant)**

30% of the Performance Rights will be subject to an earnings per Security (**EPS**) hurdle, based on the Group's growth in underlying EPS over the Performance Period (**EPS Hurdle**).

Broadly, EPS measures the underlying earnings generated by the Group attributable to each Security on issue.

The growth in the Group's EPS over the relevant Performance Period will be measured by comparing underlying EPS in the base year (being 13.7 cents per share for FY16) and final year EPS results in FY19 to determine annual compound growth.

Of the 30% of Performance Rights subject to the EPS Hurdle, the proportion that will vest, if any, will be determined by reference to the EPS achieved over the Performance Period compared to the Group's targets, as follows:

| <b>Annual compound growth in underlying EPS over the Performance Period</b> | <b>Performance Rights subject to EPS Hurdle that vest</b>                        |
|---|--|
| 10% or greater  | 100%   |
| Between 6% and 10%  | Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis) |
| Between 4% and 6%   | Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis)  |
| Less than 4%  | 0%   |

The Board retains a discretion to adjust the EPS Hurdle to ensure that the Executive Directors are neither advantaged nor disadvantaged by matters outside management's control that affect EPS (for example, by excluding one-off non-recurring items or the impact of significant acquisitions or disposals).

| <p><b>2. FUM Growth Hurdle (20% of LTI Grant)</b></p>     | <p>20% of the Performance Rights will be subject to the Group growing its property and friendly society funds under management (<b>FUM Growth Hurdle</b>).</p> <p>Funds Under Management (<b>FUM</b>) consists of total FUM in the direct property, listed property and life businesses.</p> <p>The calculation of FUM under this hurdle will be adjusted if there is a major transaction.</p> <p>Of the 20% of the Performance Rights subject to the FUM Growth Hurdle, the proportion that will vest, if any, will be determined by reference to the annual compound growth in FUM achieved over the Performance Period compared to the targets, as follows:</p> <table border="1" data-bbox="464 600 1439 1055"> <thead> <tr> <th data-bbox="464 600 930 719">Annual compound growth in FUM over the Performance Period</th> <th data-bbox="930 600 1439 719">Performance Rights subject to FUM Growth Hurdle that vest</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 719 930 770">15% or greater</td> <td data-bbox="930 719 1439 770">100%</td> </tr> <tr> <td data-bbox="464 770 930 889">Between 12% and 15%</td> <td data-bbox="930 770 1439 889">Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis)</td> </tr> <tr> <td data-bbox="464 889 930 1008">Between 10% and 12%</td> <td data-bbox="930 889 1439 1008">Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis)</td> </tr> <tr> <td data-bbox="464 1008 930 1055">Less than 10%</td> <td data-bbox="930 1008 1439 1055">0%</td> </tr> </tbody> </table>  | Annual compound growth in FUM over the Performance Period | Performance Rights subject to FUM Growth Hurdle that vest | 15% or greater | 100% | Between 12% and 15% | Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis) | Between 10% and 12% | Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis) | Less than 10% | 0% |
|---|---|---|---|----------------|------|---------------------|--|---------------------|---|---------------|----|
| Annual compound growth in FUM over the Performance Period | Performance Rights subject to FUM Growth Hurdle that vest   |   |   |                |      |                     |  |                     |   |               |    |
| 15% or greater  | 100%  |   |   |                |      |                     |  |                     |   |               |    |
| Between 12% and 15%                                       | Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis)  |   |   |                |      |                     |  |                     |   |               |    |
| Between 10% and 12%                                       | Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis)   |   |   |                |      |                     |  |                     |   |               |    |
| Less than 10%   | 0%  |   |   |                |      |                     |  |                     |   |               |    |
| <p><b>3. TSR Hurdle (50% of LTI Grant)</b></p>            | <p>50% of the Performance Rights will be subject to the calculation of total Securityholder return (<b>TSR</b>), which is a method of calculating the return Securityholders would earn if they held a notional number of Securities over a period of time.</p> <p>TSR measures the growth in the Group's Security price together with the value of dividends and distributions during a period, assuming that dividends and distributions delivered during the period are re-invested into new Securities.</p> <p>Of the 50% of the Performance Rights subject to the TSR Hurdle, the proportion that will vest, if any, will be determined by reference to the annual absolute TSR achieved over the Performance Period compared to the targets, as follows:</p> <table border="1" data-bbox="464 1518 1439 1937"> <thead> <tr> <th data-bbox="464 1518 930 1603">Annual absolute TSR achieved over the Performance Period</th> <th data-bbox="930 1518 1439 1603">Performance Rights subject to TSR Hurdle that vest</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 1603 930 1655">18% or greater</td> <td data-bbox="930 1603 1439 1655">100%</td> </tr> <tr> <td data-bbox="464 1655 930 1774">Between 15% and 18%</td> <td data-bbox="930 1655 1439 1774">Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis)</td> </tr> <tr> <td data-bbox="464 1774 930 1892">Between 12% and 15%</td> <td data-bbox="930 1774 1439 1892">Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis)</td> </tr> <tr> <td data-bbox="464 1892 930 1937">Less than 12%</td> <td data-bbox="930 1892 1439 1937">0%</td> </tr> </tbody> </table> | Annual absolute TSR achieved over the Performance Period  | Performance Rights subject to TSR Hurdle that vest        | 18% or greater | 100% | Between 15% and 18% | Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis) | Between 12% and 15% | Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis) | Less than 12% | 0% |
| Annual absolute TSR achieved over the Performance Period  | Performance Rights subject to TSR Hurdle that vest  |   |   |                |      |                     |  |                     |   |               |    |
| 18% or greater  | 100%  |   |   |                |      |                     |  |                     |   |               |    |
| Between 15% and 18%                                       | Between 50% to 100% progressive pro rata vesting (i.e. on a straight-line basis)  |   |   |                |      |                     |  |                     |   |               |    |
| Between 12% and 15%                                       | Between 25% to 50% progressive pro rata vesting (i.e. on a straight-line basis)   |   |   |                |      |                     |  |                     |   |               |    |
| Less than 12%   | 0%  |   |   |                |      |                     |  |                     |   |               |    |

|  |  |
|--|--|
| <b>Performance Period and vesting</b>        | <p>The Performance Period is 3 years, commencing on 1 July 2016 and ending on 30 June 2019.</p> <p>Following the end of the Performance Period, the performance hurdles will be tested and the Board will determine the extent to which the Performance Rights will vest.</p> <p>Any Performance Rights that do not vest following testing of the performance hurdles at the end of the Performance Period will lapse.</p>   |
| <b>Allocation of Securities upon vesting</b> | <p>Following testing of the applicable performance hurdles, one fully paid Security in the Group will be allocated in relation to each Performance Right which vests.</p> <p>The Group's obligation to allocate Securities on vesting may be satisfied by issuing new Securities, acquiring Securities on market or transferring Securities from an employee security trust or an equivalent cash payment.</p>   |
| <b>Trading restrictions</b>                  | <p>Securities allocated on the vesting of Performance Rights will not be subject to any further trading restrictions, subject to complying with the Group's Security Trading Policy.</p>   |
| <b>Price payable for Securities</b>          | <p>No amount will be payable in respect of the allocation of Performance Rights, nor in respect of any Securities granted upon vesting of the Performance Rights.</p>  |
| <b>Cessation of employment</b>               | <p>If an Executive Director ceases to be employed by the Group before the end of the Performance Period, whether the Performance Rights lapse will depend on the circumstances of cessation.</p> <p>If an Executive Director ceases employment due to resignation, termination for cause or termination for gross misconduct, all unvested Performance Rights will lapse at cessation.</p> <p>If an Executive Director ceases employment for any other reason prior to Performance Rights vesting, a pro-rata number of unvested Performance Rights (based on the Performance Period that has elapsed at the time of cessation) will remain unvested until the end of the original Performance Period and vest to the extent that the relevant performance hurdles have been satisfied at any time. The balance of Performance Rights will lapse at cessation.</p>   |
| <b>Other relevant information</b>            | <p>No other Director of the Group is eligible to participate in the Plan or any other employee incentive scheme of the Group.</p> <p>To date, under the Plan, 1,500,637 Performance Rights have been granted to Mr McBain, 931,196 Performance Rights have been granted to Mr Huljich and 931,196 Performance Rights have been granted to Mr Collishaw. The following Performance Rights have vested:</p> <ul style="list-style-type: none"> <li>• 457,668 Tranche 1 performance rights granted to Mr McBain which were subject to the EPS and Absolute TSR hurdles;</li> <li>• 281,517 Tranche 1 performance rights granted to Mr Huljich which were subject to the EPS and Absolute TSR hurdles; and</li> <li>• 281,517 Tranche 1 performance rights granted to Mr Collishaw which were subject to the EPS and Absolute TSR hurdles.</li> </ul> <p>The following Performance Rights have lapsed:</p> <ul style="list-style-type: none"> <li>• 80,765 Tranche 1 performance rights granted to Mr McBain which were subject to the FUM Growth hurdle;</li> <li>• 49,679 Tranche 1 performance rights granted to Mr Huljich which were subject to the FUM Growth hurdle; and</li> <li>• 49,679 Tranche 1 performance rights granted to Mr Collishaw which were subject to the FUM Growth hurdle.</li> </ul> |

## *Recommendation*

The Directors (other than the Executive Directors) unanimously support the resolutions in Item 8 and recommend that Securityholders vote in favour of each of these resolutions. The Executive Directors abstained from participating in any consideration by the Directors of the resolutions relating to the grant of Performance Rights under the Plan.

### **Item 9: 10% Placement Facility**

Funds raised under the 10% Placement Facility (as defined below) will be available to be used to increase the level of investment in Centuria managed property funds, as the Group continues to execute on its co-investment strategy.

Shareholders recently approved the "Stapling Proposal" outlined in the Explanatory Memorandum dated 25 August 2016 distributed to the shareholders. The proposal was overwhelmingly approved by shareholders and a stapled group (**Centuria Capital Group**) has been created by stapling units in the Centuria Capital Fund to shares in the Company on a one for one basis.

Under the Stapling Proposal the existing Centuria business has been split into two parts. The Company will continue to be the operating company, carrying on its funds management, active asset management and investment bonds business. However, the Centuria Group's current property investments and funds available for investment have been or are in the process of being transferred to the Centuria Capital Fund.

Centuria's earnings stream is currently largely dependent on earning management and performance fees in relation to its property funds business.

Centuria will be able to use funds raised under the 10% Placement Facility to increase the level of co-investment in Centuria managed property funds.

This will in turn increase the Centuria Group's recurring revenue as a proportion of its total earnings and is an important step in achieving Centuria's vision of diversifying its income streams through a more efficient investment structure.

ASX Listing Rule 7.1A enables eligible listed entities to issue Equity Securities up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Group's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that:

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

Centuria Capital Group is an eligible entity.

The Group is seeking Securityholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. Further information is set out below.

The effect of Resolution 9 will be to allow the Board to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Group's 15% placement capacity under ASX Listing Rule 7.1.

### **Description of ASX Listing Rule 7.1A**

#### **(a) Securityholder Approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Securityholder approval by way of a special resolution at an annual general meeting. It therefore requires the approval of 75% of the votes cast by Securityholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Securityholder, by a corporate representative).

#### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of Centuria Capital Group. At the date of the Notice of Meeting, the Group only has quoted Securities on issue.

#### **(c) Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained Securityholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of Securities on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Securities issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (ii) plus the number of partly paid Securities that become fully paid in the 12 months;
- (iii) plus the number of fully paid Securities issued in the 12 months with approval of holders of Securities under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Securities under the entity's 15% placement capacity without Securityholder approval;
- (iv) less the number of fully paid Securities cancelled in the 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Securityholders under ASX Listing Rule 7.1 or 7.4.

### **Number of Securities on Issue**

At the date of the Notice of Meeting, the Group had a total of 77,194,733 Securities on issue.

The Group currently has the following maximum capacity during the 12 months following the date of this Notice of Meeting to issue Equity Securities without Securityholder approval:

|   | %  | <b>Maximum number of<br/>Equity Securities</b> |
|---|----|--|
| In accordance with ASX Listing Rule 7.1   | 15 | 11,579,209                                     |
| In accordance with ASX Listing Rule 7.1A and subject to Securityholders' approval of Resolution 9 at the AGM. | 10 | 7,719,473                                      |
| <b>Total</b>  |    | <b>19,298,682</b>                              |

The actual number of Equity Securities that the Group will have capacity to issue under ASX Listing Rule 7.1A will be calculated on the date of issue of Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

### **Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the relevant class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

### **10% Placement Period**

Securityholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (b) the date of the approval by Securityholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding) (**10% Placement Period**).

### **Specific Information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Group's Equity Securities over the 15 Trading Days on which trades in the relevant class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 9 is approved by Securityholders and the Group issues Equity Securities under the 10% Placement Facility, the existing Securityholders' voting power in the Group will be diluted as shown in the below table. There is a risk that:

- (i) the market price for the Group's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the AGM; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Group's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(c) The table below shows the dilution of existing Securityholders on the basis of the current market price of Securities and the current number of Securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Securities the Group has on issue. The number of Securities on issue may increase as a result of the issues of Securities contemplated by Resolutions 7 and 8 and issues of Securities that do not require Securityholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Securityholders' meeting; and
- (ii) two examples of where the issue price of ordinary Securities has decreased by 50% and increased by 100% as against the current market price.

| Variable 'A' in ASX Listing Rule 7.1A.2 |                      |                               | Variable            |                             |              |                              |
|---|----------------------|-------------------------------|---------------------|-----------------------------|--------------|------------------------------|
|   |                      | Number of Securities examples |                     | 50% decrease in Issue Price | Issue Price  | 100% Increase in Issue Price |
|   | Issue price examples |                               |                     | \$0.53                      | \$1.07       | \$2.14                       |
| Current Variable A                      |                      | 77,194,733                    | 10% Voting Dilution | 7,719,473                   | 7,719,473    | 7,719,473                    |
|   |                      |                               | Funds raised        | \$4,129,918                 | \$8,259,836  | \$16,519,673                 |
| 50% increase in Current Variable A      |                      | 115,792,100                   | 10% Voting Dilution | 11,579,210                  | 11,579,210   | 11,579,210                   |
|   |                      |                               | Funds raised        | \$6,194,877                 | \$12,389,755 | \$24,779,509                 |
| 100% increase in Current Variable A     |                      | 154,389,466                   | 10% Voting Dilution | 15,438,947                  | 15,438,947   | 15,438,947                   |
|   |                      |                               | Funds raised        | \$8,259,836                 | \$16,519,673 | \$33,039,346                 |

- (d) The table has been prepared on the following assumptions:
- (i) The Group issues the maximum number of Equity Securities available under the 10% Placement Facility.
  - (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities;
  - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Securityholder by reason of placements under the 10% Placement Facility, based on that Securityholder's holding at the date of the AGM.
  - (v) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Securities. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Securities for the purpose of calculating the voting dilution effect on existing Securityholders.
  - (vii) The issue price is \$1.07, being the closing price of the Securities on the ASX on 20 October 2016.
- (e) The Group will only issue and allot the Equity Securities during the 10% Placement Period. The approval under this resolution for the issue of the Equity Securities will cease to be valid in the event that Securityholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking). The 10% Placement Period will run from the date of the AGM until the earlier of any future Securityholder approval under ASX Listing Rule 11.1.2 or 11.2 and 12 months from the date of the AGM.
- (f) The Group may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of new resources, assets and investments. In such circumstances the Group will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Group intends to use funds to increase the Group's co-investment in Centuria managed property funds.
- (g) The Group will comply with the disclosure obligations under the ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities. The Group's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Group, including but not limited to, rights issue or other issue in which existing Securityholders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Group;
- (iii) the financial situation and solvency of the Group; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Securityholders and/or new Securityholders who are not related parties or associates of a related party of the Group.

Further, if the Group is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will include vendors of the new resources, assets or investments.

- (h) The Group has not previously obtained Securityholder approval under ASX Listing Rule 7.1A.

During the preceding 12 months, the following Equity Securities were issued by the Group:

| <b>Date</b>     | <b>Securities issued</b> | <b>Class of Securities</b> | <b>Issued to</b>  | <b>Price / consideration</b>   | <b>Use of funds</b> |
|-----------------|--------------------------|----------------------------|---|--|---------------------|
| 22 August 2016  | 563,034                  | Fully paid ordinary shares | - 281,517 shares to Mr Jason Huljich<br>- 281,517 shares to Mr Nicholas Collishaw*  | Vesting of 563,034 performance rights granted under the Company's Executive Incentive Plan | N/A                 |
| 1 February 2016 | 1,787,715                | Performance rights         | - 481,102 performance rights to Mr John McBain<br>- 300,000 performance rights to Mr Jason Huljich<br>- 300,000 performance rights to Mr Nicholas Collishaw<br>- 706,614 performance rights to other executives | Granted under the Company's Executive Incentive Plan                                       | N/A                 |

\* The Board of the Company resolved that the Company issue cash to John McBain in lieu of ordinary shares in satisfaction of the vesting of 457,668 Tranche 1 performance rights.

- (i) A voting exclusion statement is included in the Notice. At the date of this Notice of Meeting, the Group has not approached any particular existing Securityholder or an identifiable class of existing Securityholder to participate in the issue of the Equity Securities. No existing Securityholder's votes will therefore be excluded under the voting exclusion in this Notice.

### ***Recommendation***

The Board unanimously recommends that Securityholders vote in favour of this resolution.

## Glossary

In this Notice of Meeting:

|  |   |
|--|---|
| <b>10% Placement Facility</b>            | has the meaning given under Item 9 in this Notice of Meeting.   |
| <b>AEDT</b>                              | means Australian Eastern Daylight Time.   |
| <b>AGM</b>                               | means the annual general meeting of the shareholders of the Company which will be held in conjunction with a general meeting of unitholders of the Fund (as adjourned from time to time).   |
| <b>ASX</b>                               | means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.   |
| <b>Board</b>                             | means the board of directors.   |
| <b>Centuria Capital Group</b>            | The stapled group comprising Centuria Capital Limited ACN 095 454 336, Centuria Capital Fund ARSN 613 856 358 and Centuria Funds Management Limited ACN 607 153 588 as responsible entity for Centuria Capital Fund and the controlled entities of Centuria Capital Limited and Centuria Capital Fund (including their subsidiaries). |
| <b>Chairperson</b>                       | means the Chairperson of Centuria Capital Limited ACN 095 454 336 and Centuria Funds Management Limited ACN 607 153 588, currently Mr Charny.   |
| <b>Company</b>                           | means Centuria Capital Limited ACN 095 454 336.   |
| <b>Corporations Act</b>                  | means <i>Corporations Act 2001</i> (Cth).   |
| <b>Director</b>                          | means a director of the Company or the Fund, as the context requires.   |
| <b>Equity Securities</b>                 | has the same meaning as given in the Listing Rules.   |
| <b>Fund</b>                              | means Centuria Capital Fund ARSN 613 856 358.   |
| <b>Group</b>                             | has the same meaning as Centuria Capital Group.   |
| <b>KMP or "key management personnel"</b> | has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.   |
| <b>Listing Rules</b>                     | means the listing rules of the ASX.   |
| <b>Notice of Meeting</b>                 | means this Notice of Meeting.   |
| <b>Plan</b>                              | means the executive incentive plan of the Group.  |
| <b>Security</b>                          | means a fully paid ordinary share in the Company stapled to a fully paid ordinary unit in the Fund.   |
| <b>Securityholder</b>                    | means a holder of a Security.   |
| <b>Trading Days</b>                      | means a day determined by the ASX to be a trading day in accordance with the Listing Rules.   |
| <b>VWAP</b>                              | means volume weighted average price.  |

**Questions and comments**

You may wish to give advance notice of any question(s) you would like to have considered at the forthcoming Annual General Meeting. If so, please detach and return this slip to Centuria Capital Group at Suite 39.01 Level 39, 100 Miller Street, North Sydney, NSW, 2060. We will do our best to answer as many questions as possible at the Annual General Meeting. Any written questions for the auditor should be given to the Company no later than a week before the AGM. We will pass on questions to the auditor as soon as practicable after receipt. Please attach extra pages if necessary.

Name: .....

Address: .....

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1. for Chairperson

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2. for Auditor

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### Centuria Capital Group

Consisting of:  
Centuria Capital Limited ABN 22 095 454 336 and  
Centuria Capital Fund ARSN 613 856 358

### Lodge your vote:

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

CNI

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Proxy Form

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### Vote and view the notice of meeting online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 10:00am (AEDT) Sunday, 27 November 2016**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

#### Lodgement of a Proxy

The proxy form may be lodged with Computershare (details above). A reply paid envelope is included with the Notice of Meeting and this Proxy Form.

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Centuria Capital Group hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Centuria Capital Group to be held at Sofitel Wentworth, Hobart Room, Lobby Level, 61-101 Phillip Street Sydney NSW on Tuesday, 29 November 2016 at 10:00am (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 7 and 8 (except where I/we have indicated a different voting intention below) even though Items 2, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 7 and 8 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

|  | For                      | Against                  | Abstain                  |
|--|--------------------------|--------------------------|--------------------------|
| 2 Remuneration Report  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Re-election of Director – Mr John Slater   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Re-election of Director – Mr Jason Huljich   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Confirmation of Appointment of Director – Mr Garry Charny  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Confirmation of Appointment of Director – Ms Susan Wheeldon-Steele   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Approval of the Centuria Capital Group Executive Incentive Plan and future issue of securities                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Grant of Performance Rights under the Executive Incentive Plan to Mr John McBain, Mr Jason Huljich and Mr Nicholas Collishaw | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 Approval of 10% Placement Facility   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

CNI

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