

# NOTICE OF MEETINGS

---

**THE ANNUAL GENERAL MEETINGS OF SECURITYHOLDERS OF ABACUS GROUP HOLDINGS LIMITED, ABACUS GROUP PROJECTS LIMITED AND ABACUS STORAGE OPERATIONS LIMITED (THE COMPANIES) WILL BE HELD IN CONJUNCTION WITH MEETINGS OF SECURITYHOLDERS OF ABACUS TRUST, ABACUS INCOME TRUST AND ABACUS STORAGE PROPERTY TRUST (THE TRUSTS).**

---

## TIME

10.00am (Sydney time)

## DATE

Friday, 14 November 2014

## VENUE

The Hobart Room  
Sydney Sofitel Wentworth  
61-101 Phillip Street  
Sydney, NSW, 2000

---

### Abacus Group Holdings Limited

ACN 080 604 619

### Abacus Group Projects Limited

ACN 104 066 104

### Abacus Storage Operations Limited

ACN 112 457 075

### Abacus Trust

ARSN 096 572 128

### Abacus Income Trust

ARSN 104 934 287

**(Responsible Entity: Abacus Funds Management Limited ACN 007 415 590)**

### Abacus Storage Property Trust

ARSN 111 629 559

**(Responsible Entity: Abacus Storage Funds Management Limited**

**ACN 109 324 834)**

**Together Abacus Property Group  
or ABP**



## ITEMS OF BUSINESS

### 1. Annual Financial Report

To receive and consider the annual financial report, directors' report and auditor's report of Abacus Property Group and its controlled entities for the year ended 30 June 2014.

### 2. Remuneration Report

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

#### To adopt the Remuneration Report for the year ended 30 June 2014.

*Please note that the vote on this resolution is advisory only and does not bind the directors or Abacus Property Group.*

*A voting exclusion statement applies to this item of business, as set out in the Explanatory Notes.*

### 3. Election of directors

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

#### 3.1 To re-elect Mr Malcolm Irving as a director of Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited.

#### 3.2 To re-elect Mrs Myra Salkinder as a director of Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited.

### 4. Grant of security acquisition rights to the Managing Director

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

**That approval be given for the Company to grant 218,260 deferred security acquisition rights (SARs) to the Managing Director, Dr Frank Wolf OAM, on the terms set out in the Explanatory Notes accompanying this Notice of Meetings.**

*Please note that, as securities allocated under the Security Acquisition Rights Plan will be purchased on-market, Abacus Property Group is not required to seek this approval for the purposes of the ASX Listing Rules. However, Securityholder approval is being sought in the interests of transparency, securityholder engagement and good governance.*

*A voting exclusion statement applies to this item of business, as set out in the Explanatory Notes.*

## BY ORDER OF THE BOARDS



Ellis Varejes  
Secretary

Date: 3 October 2014

## EXPLANATORY NOTES AND MATERIALS

Securityholders are referred to the explanatory memorandum that accompanies and forms part of this notice of meetings.

### VOTING EXCLUSION STATEMENTS

For all resolutions that are directly or indirectly related to the remuneration of a member of the key management personnel (**KMP**) of Abacus Property Group (being Resolutions 2 and 4), the Corporations Act 2001(Cth) (**Corporations Act**) restricts KMP and their closely related parties from voting in some circumstances. '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.

#### Resolution 2 - Remuneration Report:

Abacus Property Group will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of a KMP named in the Group's Remuneration Report or that KMP's closely related party, or as a proxy by any KMP or that KMP's closely related party, unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Meetings as proxy for a person who is entitled to vote in accordance with an express authorisation on the proxy form to vote as the proxy decides.

#### Resolution 4 - Grant of deferred incentive securities to the Managing Director

Abacus Property Group will disregard any votes cast on Resolution 4 by the Managing Director (being the only director of Abacus Property Group who is eligible to participate in the employee incentive scheme in respect of which approval is sought) or any of his associates, or as a proxy by a KMP or a KMP's closely related party, unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the Meetings as proxy for a person who is entitled to vote in accordance with an express authorisation on the proxy form to vote as the proxy decides.

### PROXIES AND CORPORATE REPRESENTATIVES

If you are unable to attend the meetings, you are encouraged to appoint a proxy to attend and vote on your behalf.

A securityholder entitled to attend and vote at the meetings is entitled to appoint a proxy. A securityholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or the number of votes each proxy is appointed to exercise. A proxy need not be a securityholder of the Abacus Property Group. Abacus Property Group must receive proxies at least 48 hours before the meetings (**that is, before 10am on Wednesday 12 November 2014**). A proxy form is provided with this notice.

You can direct your proxy how to vote by following the instructions on the proxy form. Securityholders are encouraged to direct their proxy how to vote on each item of business.

Any directed proxies that are not voted on a poll at the meetings by a Securityholder's appointed proxy will automatically default to the Chairman of the Meetings, who is required to vote proxies as directed on a poll.

Generally, the key management personnel of Abacus Property Group (which includes each of the directors) will not be able to vote your proxy on remuneration related resolutions (being Resolutions 2 and 4) unless you tell them how to vote. If you intend to appoint a member of the key management personnel (such as one of the directors) as your proxy, please ensure that you direct them how to vote on Resolutions 2 and 4.

If you intend to appoint the Chairman of the Meetings as your proxy (or if he becomes your proxy by default), you can direct him how to vote by either marking one of the voting boxes for Resolutions 2 and 4 on the proxy form (for example to vote 'for', 'against' or 'abstain' from voting). Alternatively, if the Chairman of the Meetings is or becomes your proxy and you do not mark any of the boxes opposite Resolutions 2 and 4, then, by submitting the proxy form, you will be giving the Chairman of the Meetings your express authority to vote your proxy as he decides, even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of Abacus Property Group.

The Chairman of the Meetings intends to vote all available proxies in favour of each Resolution.

Completion of a proxy form will not prevent individual securityholders from attending the meetings in person if they wish. Where a securityholder completes and lodges a valid proxy form and then the securityholder attends the meetings in person, if the member votes on a resolution, their proxy is not entitled to vote, and must not vote, on that resolution.

If a securityholder appoints a body corporate as a 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 of the Corporations Act; or
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

Corporate securityholders should comply with the execution requirements set out on the proxy form or otherwise comply with the provisions of section 127 of the Corporations Act.

The corporate representative certificate (or a photocopy of it or a facsimile of it) must be lodged by one of the below methods by 4.00pm (Sydney time) on the day before the meeting.

Proxies and corporate appointment of representative forms may be lodged using the reply paid envelope or:

**BY ONLINE VOTING:** [www.votingonline.com.au/abacusagm2014](http://www.votingonline.com.au/abacusagm2014)

**BY MAIL:** Registry - Boardroom Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX:** + 61 2 9290 9655

**BY HAND:** Level 7, 207 Kent Street, Sydney NSW 2000 Australia

#### **VOTING ENTITLEMENTS**

In accordance with Corporations Regulations 7.11.37, the directors have determined that the security holding of each securityholder for the purposes of ascertaining the voting entitlements for the meetings will be as it appears in the Abacus Property Group Security Register at 7.00 pm (Sydney time) on Wednesday, 12 November 2014. Accordingly, security transfers registered after that time will be disregarded in determining entitlement to attend and vote at the meetings.

#### **EXPLANATORY MEMORANDUM**

##### **Resolution 1: Receive and consider the Annual Financial Report and other reports**

As required by section 317 of the Corporations Act, the Annual Financial Report and other reports for the financial year ended 30 June 2014 will be laid before the meetings.

Securityholders will have a reasonable opportunity as a whole to raise questions on the reports and on the performance of Abacus Property Group generally and may ask questions of the Group's external auditor that are relevant to:

1. the conduct of the audit;
2. the preparation and content of the auditor's report;
3. the accounting policies adopted by the Group in relation to the preparation of its financial statements; and
4. the independence of the auditor in relation to the conduct of the audit.

Questions directed to the auditor may be submitted in writing to Company Secretary, Abacus Property Group, Level 34 Australia Square, 264-278 George Street, Sydney NSW 2000, and must be received by no later **than 7.00 pm on 7 November 2014**. If written questions are received, the question list will be made available to securityholders attending the meetings. The auditor may answer the questions at the meetings or table written answers. If written answers are tabled, they will be made available to securityholders after the meetings.

There is no vote on this resolution.

### **Resolution 2: Adoption of Remuneration Report**

The Remuneration Report forms part of the Directors' Report set out in the 2014 Abacus Property Group Annual Report. The Remuneration Report includes:

- an explanation of the Group's policy for determining the remuneration of directors and executives;
- a discussion of the relationship between the policy and the Group's performance; and
- details of the performance conditions associated with the remuneration of the directors and executives.

Securityholders will have a reasonable opportunity as a whole to ask questions about, or make comments on, the Remuneration Report.

The vote on this resolution is advisory only and does not bind the directors or Abacus Property Group; however the directors will have regard to the outcome of the vote and any discussion when setting the remuneration policies of the Group in future years.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meetings.

The directors recommend that securityholders vote **in favour** of this resolution.

The Chairman of the Meetings intends to vote all available proxies **in favour** of this resolution.

### **Resolution 3: Re-election of Directors**

#### ***Resolution 3.1: Re-election of Mr Malcolm Irving***

Malcolm Irving retires by rotation in accordance with the constitutions of the Companies and, being eligible, offers himself for re-election.

Malcolm has been a director of the Companies since September 2002. Malcolm has over 40 years' experience in company management, including 12 years as Managing Director of CIBC Australia Limited. He is also a director of O'Connell Street Associates Pty Ltd, Macquarie University Hospital and is Chairman of Macquarie Graduate School of Management.

Malcolm is Chairman of the Audit & Risk and Compliance Committees and a member of the Due Diligence Committee. The Board has determined Mr Irving to be independent in accordance with the Group's established guidelines on independence.

#### ***Resolution 3.2: Re-election of Mrs Myra Salkinder***

Myra Salkinder retires by rotation in accordance with the constitutions of the Companies and, being eligible, offers herself for re-election.

Myra has been a director of the Companies since April 2011. Myra is a senior executive of the Kirsh Group where she has been integrally involved with the continued expansion of the Kirsh Group's property and other investments, both in South Africa and internationally. Myra is a director of a number of entities associated with the Kirsh Group worldwide.

Myra is a member of the Compliance, Due Diligence and Remuneration & Nomination Committees. Ms Salkinder is not an independent director in accordance with the Group's established guidelines on independence due to her association with Kirsh Group, a substantial securityholder of Abacus Property Group.

The directors (other than the director who is the subject of the relevant resolution) recommend that securityholders vote **in favour** of each of these resolutions.

The Chairman of the Meetings intends to vote all available proxies **in favour** of each of these resolutions.

#### **Resolution 4: Grant of deferred variable remuneration to the Managing Director**

Securityholder approval is being sought to allocate to the Managing Director (**MD**) of Abacus Property Group, Dr Frank Wolf OAM, deferred variable remuneration in the form of deferred security acquisition rights (**SARs**) under the Group's Deferred Security Acquisition Rights Plan (**Plan**). The objective of the plan is to reward executives for sustaining underlying profit that covers the distribution level implicit in the Abacus security price and which rewards sustainability of distributions each year over a four year period.

Subject to securityholder approval, the Boards have determined to grant a deferred variable remuneration award to the MD in respect of the financial year ending on 30 June 2015 of 218,260 SARs. The SARs will be granted on or about 30 November 2014, but in any event within 12 months of the meetings.

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

ASX Listing Rule 10.14 requires that securityholders approve awards of securities issued to directors. Securityholders' approval is required only if new securities are issued to a director and not if securities are purchased on market. The intention of the requirement is to protect securityholders from dilution in the value of securities that may occur as a result of securities issued under employee incentive plans. No such dilution occurs if securities are purchased on market.

All ABP securities required to satisfy the vesting of SARs awarded will be purchased on market and so there will be no dilution to securityholders' interests. Although there is therefore no requirement to do so under the ASX Listing Rules, the Boards consider it good governance to seek approval from securityholders for awards made to the MD.

#### *Background*

Each year the Boards review and approve the remuneration of the MD. The MD's remuneration is set in accordance with the Group's Executive Remuneration Policy which supports the achievement of the Group's overall objective through the use of current and deferred variable incentives in rewarding activities that are in the medium to long-term interests of securityholders through consistency of sustainable distributions and steady improvement to the underlying financial strength of the business.

Consistent with the Executive Remuneration Policy, the MD's remuneration package for the financial year ending 30 June 2015 will include:

- (a) fixed remuneration (base salary, superannuation and non-monetary benefits)
- (b) variable remuneration comprising:
  - current variable remuneration; and
  - deferred variable remuneration.

The deferred variable remuneration applicable to the 2014/2015 financial year was assessed following the end of the 2013/2014 financial year at the same time as the assessment was made of the MD's current variable remuneration for the 2013/2014 financial year. The Boards have determined to grant to the MD a deferred variable remuneration award of \$600,000 for the financial year ending 30 June 2015, to be satisfied, subject to securityholder approval, in the form of SARs granted in accordance with the Plan.

#### *The Plan - deferred variable incentives*

Overview: The Plan involves an annual grant of deferred variable incentives, in the form of SARs, to participants. Each SAR represents a right to receive one fully paid ABP security, subject to satisfaction of performance conditions and to continued employment with the Group. The Plan exposes executives to fluctuations in the ABP security price throughout the vesting period and directly rewards them for increasing ABP's security price over that period.

The MD's SARs will vest in four equal tranches of 54,565 SARs each, over a four year period from the first, second, third and fourth anniversaries of the conditional allocation date, being 15 September 2014.

The Boards may provide cash or other benefits with equivalent value on vesting but their current intention is to provide Abacus Property Group securities. The MD is entitled, before any tranche of SARs vests, to extend the vesting date for that tranche by 12 months. This right may be exercised at any time and from time to time in respect of any unvested tranches while the MD's employment continues.

Quantum of award: For the financial year ending 30 June 2015, subject to securityholder approval, Dr Wolf will be granted 218,260 SARs. Additional ABP securities may be granted after each vesting date equivalent to the aggregate of the distributions per ABP security paid (or declared but unpaid) during the period from the conditional allocation date of the relevant tranche to the vesting date for that tranche.

Performance hurdle: The level of distributions on ABP securities is implicit in its security price. If distribution levels are not at least maintained in the period between allocation and vesting, the value of unvested SARs will effectively decline. The grant of SARs therefore creates an inherent incentive to grow distribution levels and, consequently, an alignment with the medium term interests of securityholders. In addition, vesting is subject to a threshold performance hurdle: The Board has the discretion, if the amount of distributions per ABP security falls by more than a percentage determined by the Board for each respective SARs issue, to forfeit any unvested tranches. For example, if the Board determines at the time of a new allocation of SARs that a sustainable annual distribution rate for the whole vesting period for that allocation of SARs is 17 cents per security then the Board may decide that if that rate falls by more than a specified percentage in respect of any financial year before all of the tranches of SARs in that allocation have vested, the Board may claw back the unvested SARs that formed part of that allocation.

Distributions: To achieve a closer alignment of the interests of securityholders, when a tranche of SARs vests, the MD will also be paid in respect of each SAR that vests an amount (a notional distribution) equivalent to the aggregate of the distributions per ABP security paid during the period from allocation date of the relevant tranche to the vesting date for the relevant tranche plus the amount of any distribution per security declared and unpaid as at the vesting date. It is intended the entitlement will be satisfied in ABP securities, but the Boards may, in their discretion, satisfy this entitlement in cash. The number of additional securities will be calculated by dividing the amount of the notional distribution by the VWAP of ABP securities over the first 10 trading days after the date the relevant tranche vests.

Termination of employment: The treatment of any unvested SARs at the time of termination depends upon the nature of the termination. If, for example, the MD is terminated for cause or for any other reason determined by the Boards not to be a 'good leaver' circumstance, any unvested SARs will lapse (unless the Boards determine otherwise). If the MD is a good leaver (eg the termination is due to retirement or redundancy), the unvested SARs will remain on foot, subject to the original performance condition as though employment had not ceased and will vest on the original testing dates. However, the Boards retain the discretion to lapse all or any part of unvested SARs on cessation of employment.

Additional information: The early vesting of the SARs may be permitted by the Boards in other limited circumstances such as a change in control of Abacus Property Group, in which case the MD will be entitled to an amount determined by the Boards, having regard to the extent to which the performance hurdle has been achieved at the date of the change of control, the alignment between the interests of the then current securityholders and the MD during the change of control process and any other matter the Boards consider relevant.

No amount is payable by the MD upon the grant of these SARs or to acquire Abacus Property Group securities at vesting. No loan will be provided to the MD in relation to the deferred variable remuneration award.

Other than the MD, no director (or associate of a director) is currently entitled to participate in the Plan.

The directors (other than Dr Wolf) recommend that securityholders vote **in favour** of this resolution.

The Chairman of the Meetings intends to vote all available proxies **in favour** of this resolution.

