

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

Monday, 14 November 2016

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)



NOTICE OF MEETINGS 2016

CONTINUED

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 2016.

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 2016.

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 director

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

To re-elect Mr John Thame 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 230,260 deferred security acquisition rights (SARs) to the Managing Director, Dr Frank Wolf OAM, on the terms set out in the Explanatory Notes.

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.

5. Ratification of institutional placement

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

That for the purposes of ASX Listing Rule 7.4, ASIC (Managed investment product consideration) Instrument 2015/847 and for all other purposes, the issue of 5,641,569 stapled securities in Abacus Property Group that occurred on 28 July 2016, as described in the Explanatory Notes, is ratified and approved by securityholders.

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: 4 October 2016

NOTICE OF MEETINGS 2016

CONTINUED

EXPLANATORY NOTES AND MATERIALS

Securityholders are referred to the explanatory notes that accompany and form 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 KMPs 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 a relevant 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 for year ended 30 June 2016 or that KMP's closely related party (regardless of the capacity in which the vote is cast), or as a proxy by any KMP at the date of the Meetings 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 in the proxy form to vote as the proxy decides even though the resolution is connected with the remuneration of the KMP.

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 (regardless of the capacity in which the vote is cast), or as a proxy by a KMP at the date of the Meetings 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 in the proxy form to vote as the proxy decides even though the resolution is connected with the remuneration of the KMP.

Resolution 5 - Ratification of institutional placement

For the purposes of the ASX Listing Rules and the ASIC Corporations (Managed investment product consideration) Instrument 2015/847, Abacus Property Group will disregard any votes cast on Resolution 5 by:

- a person who participated in the issue of stapled securities to which the resolution relates and any associate of that person; and
- a person holding an interest in the stapled securities that were issued for the benefit of another person who has obtained or will obtain beneficial ownership of any of the stapled securities that were issued,

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 a direction on the proxy form to vote as the proxy decides.

In addition, in accordance with section 253E of the Corporations Act, each Responsible Entity and its associates are not entitled to vote their interest on any resolutions if they have an interest in the resolution or matter other than as a member.

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 (Sydney time) on Saturday 12 November 2016**). 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.

The KMP of Abacus Property Group (which includes all directors) will not be able to vote your proxy on remuneration related resolutions (being Resolutions 2 and 4) unless you direct them how to vote, or the Chairman of the Meetings is your proxy.

NOTICE OF MEETINGS 2016

CONTINUED

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 marking one of the voting boxes for the relevant resolution 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 a resolution, the Chairman may vote as he sees fit. Please note that by submitting the proxy form without voting instructions, you will be giving the Chairman of the Meetings your express authority to vote your proxy as he decides on remuneration related resolutions, even though 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 must be lodged before 10am (Sydney time) on Saturday 12 November 2016 using the reply paid envelope or:

BY ONLINE VOTING: www.votingonline.com.au/abacusagm2016

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

BY FAX: + 61 2 9290 9655

BY HAND: Level 12, 225 George Street, Sydney NSW 2000 Australia

VOTING ENTITLEMENTS

In accordance with Corporations Regulations 7.11.37, the directors have determined that the securityholding 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 10am (Sydney time) on Saturday, 12 November 2016. Accordingly, security transfers registered after that time will be disregarded in determining entitlement to attend and vote at the Meetings.

EXPLANATORY MEMORANDUM

Item 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 2016 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; and
2. the preparation and content of the auditor's report.

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 2016**. 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 item of business.

NOTICE OF MEETINGS 2016

CONTINUED

Resolution 2: Adoption of Remuneration Report

The Remuneration Report forms part of the Directors' Report set out in the 2016 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 Director

Re-election of Mr John Thame

John Thame retires by rotation in accordance with the constitutions of the Companies and, being eligible, offers himself for re-election. John Thame was appointed to the Boards of the Companies as Chairman in 2002.

John has over 30 years' experience in the retail financial services industry in senior management positions. His 26-year career with Advance Bank included 10 years as Managing Director until the Bank's merger with St George Bank Limited in 1997. Mr Thame was Chairman (2004 to 2008) and a director (1997 to 2008) of St George Bank Limited and St George Life Limited.

John is Chairman of the Due Diligence Committee and a member of the Audit & Risk and Remuneration & Nomination Committees.

The Board considers John to be an independent non-executive director.

The directors (other than John Thame) 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 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 Plan has been designed to align the interests of executives with those of securityholders by providing for a significant portion of the remuneration of participating executives to be linked to the delivery of sustainable and growing underlying profit that covers the distribution level implicit in the ABP security price and incremental growth in capital value.

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 2017 of 230,260 SARs at no cost. The number of SARs to be granted to the MD has been calculated by dividing \$700,000 by the 10 day volume weighted average price of ABP securities for the period commencing on the second trading day after the full year results announcement for the year ended 30 June 2016 were released to the market. The SARs will be granted on or about 30 November 2016, 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 SARs issued to directors under an employee incentive plan, unless the terms of the plan require that the securities received on vesting of a SAR will be 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 the operation of 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.

NOTICE OF MEETINGS 2016

CONTINUED

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 of producing sustainable growth and consistency of yield and aligns the interests of executives with those of securityholders through the use of current and deferred incentives.

Consistent with the Executive Remuneration Policy, the MD's remuneration package for the financial year ending 30 June 2017 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 2016/2017 financial year was assessed following the end of the 2015/2016 financial year at the same time as the assessment was made of the MD's current variable remuneration for the 2015/2016 financial year. The Boards have determined to grant to the MD a deferred variable remuneration award of \$700,000 for the financial year ending 30 June 2017, 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 57,565 SARs each, over a four year period from the first, second, third and fourth anniversaries of the conditional allocation date, being 6 September 2016.

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 2017, subject to securityholder approval, Dr Wolf will be granted 230,260 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: unvested tranches will lapse if the distributions per ABP security over the applicable vesting period fall by more than a specified percentage against the sustainable annual distribution rate determined by the Boards in August 2016. For the purposes of these calculations, the Boards retain the discretion to exclude the impact of exceptional or abnormal items where appropriate.

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 death, disability, termination without cause, genuine retirement), 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.

NOTICE OF MEETINGS 2016

CONTINUED

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.

In 2015, the MD received 233,176 SARs under the Plan at no cost. No other director received securities under the Plan in 2015.

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.

Resolution 5: Ratification of institutional placement

This resolution is to ratify the issue of 5,641,569 securities in an institutional placement at \$3.074905 per security on 28 July 2016 for the purposes of the Corporations Act, ASX Listing Rule 7.4 and ASIC Corporations (Managed investment product consideration) Instrument 2015/847 (**ASIC Instrument 2015/847**). The new securities will rank equally in all respects with existing securities from the date of issue.

The \$17.3 million raised from the issue was used to provide growth capital for anticipated acquisitions. The securities were issued to professional and other wholesale investors (within the meaning of section 9 of the Corporations Act), who were identified by Shaw and Partners Limited, the lead manager of the institutional placement. The Group, its directors and associates did not participate in the issue.

Under ASX Listing Rule 7.1, listed entities are entitled to issue up to 15% of their issued capital in any 12 month period without securityholder approval. Further, ASIC Instrument 2015/847 provides relief under section 601QA(1)(a) and (b) of the Corporations Act so that units in a trust can be issued without unitholder approval at a price determined by the responsible entity provided the issue, together with any issues of units up to one year previously, would not comprise more than 15% of the units of the same class on issue after the issue is included. The issue of securities referred to in this resolution did not require approval under either ASX Listing Rule 7.1 or ASIC Instrument 2015/847.

Under ASX Listing Rule 7.4, securityholders may subsequently approve, by ordinary resolution, the issue of securities made without securityholder approval under ASX Listing Rule 7.1 provided the issue did not breach ASX Listing Rule 7.1. The effect of securityholder approval of this resolution would be that this issue of securities would not be counted in determining whether any further issues of securities would breach the 15% limit under ASX Listing Rule 7.1. In other words, the limits under ASX Listing Rule 7.1 would be refreshed to the extent of the approval and Abacus Property Group would not be required to count the issue referred to in this resolution if making an issue of securities in the next 12 months without securityholder approval. Accordingly, securityholders are being requested to ratify the issue of securities as described above under ASX Listing Rules 7.1 and 7.4 to allow Abacus Property Group to retain flexibility to make further placements of securities to raise funds.

The approval of securityholders is also being sought for the purposes of ASIC Instrument 2015/847 so that the placement will also not be counted for the purposes of the 15% limit under that ASIC Instrument. This requires that approval in relation to the Trusts be given by a special resolution where the resolution is voted on by unitholders who hold at least 25% of the total value of all the units entitled to vote on the question (whether in person or by proxy).

The directors consider that the approval of the issue described above is in Abacus Property Group's best interests. It provides flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1 and ASIC Instrument 2015/847 in the next 12 months, should it be required.

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.

