



notice of meetings abacus property group

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 (AEST)

Date - Wednesday, 14 November 2012

Venue - The Boardroom
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)

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 2012.

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 2012.

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 below.

3. Election of directors

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

To re-elect Mr William Bartlett as a director of Abacus Group Holdings Limited, Abacus Group Projects Limited and Abacus Storage Operations Limited.

4. Grant of deferred incentive securities 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 purposes of Listing Rule 10.14 and all other purposes to grant deferred security acquisition rights (SARs) to the Managing Director, Dr Frank Wolf OAM, in accordance with the deferred security acquisition rights plan and on the terms set out in the explanatory notes accompanying this notice of meetings.

A voting exclusion statement applies to this item of business, as set out below.

BY ORDER OF THE BOARDS

Ellis Varejes
Secretary
Date 5 October 2012



EXPLANATORY NOTES AND MATERIALS

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

VOTING EXCLUSION STATEMENT

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 a resolution in respect of Resolution 2), 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 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, unless the vote is cast:

- by a person 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 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 any employee incentive scheme operated by the Abacus Property Group) 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 a 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 Monday 12 November 2012**). A form of proxy 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 KMPs 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 KMP (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 signing and returning the proxy form, you will be giving the chairman of the meetings your express authority to vote your proxy as he decides (and the chairman of the meetings will vote in favour of those Resolutions).

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. Where a security holder 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 meetings.

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.

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

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

BY FAX: + 61 2 9290 9655

VOTING ENTITLEMENTS

In accordance with Corporations Regulation 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 Monday, 12 November 2012. Accordingly, security transfers registered after that time will be disregarded in determining entitlement to attend and vote at the meeting.

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 2012 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 **5.00 pm on 7 November 2012**. 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 2012 Abacus Property Group concise annual financial 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 of 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 Mr William Bartlett

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

William is a chartered accountant and has strong accounting, financial and corporate credentials. As a partner at Ernst & Young for 23 years, he held the roles of Chairman of Worldwide Insurance Practice, National Director of Australian Financial Services Practice and Chairman of the Client Service Board. William is a director of Suncorp Group Limited, GWA Limited, Reinsurance Group of America Inc and RGA Reinsurance Company of Australia Limited. He is Chairman of the Cerebral Palsy Foundation.

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

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

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

As indicated last year, David Bastian will retire as a director of the Companies to ensure an independent board. His retirement is effective from Wednesday 14 November 2012. The Chairman and the other members of the Boards would like to express publicly their appreciation of the valuable contribution to the Group by David as a member of the Boards.

Resolution 4: Grant of deferred incentive securities to the managing director

Securityholder approval is being sought to allocate to the managing director (MD) of Abacus Property Group, Dr Frank Wolf OAM, a deferred variable incentive in the form of deferred security acquisition rights (SARs), which are part of 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 underlying profit that covers the distribution level implicit in the ABP security price.

If approved by shareholders, it is intended that the grant of 212,406 SARs will be made to the MD on or about 30 November 2012.

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.

The Boards may determine whether securities awarded will be purchased on market or issued. The Boards' current intention is to purchase on market all ABP securities required to satisfy the vesting of SARs awarded as this would cause no dilution to securityholders' interests. Although there is no requirement to do so, the Boards consider it good governance to seek approval from securityholders for awards made to the MD. Subject to securityholder approval being obtained, the Boards reserve the right to issue new securities to the MD instead of buying securities on market.

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. In September 2012, the Boards approved a revised executive remuneration policy for the Group. The revised policy 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.

Consistently with the revised executive remuneration policy, the MD's remuneration package for the financial year ending 30 June 2013 will include:

1. fixed remuneration (base salary, superannuation and non-monetary benefits)
2. a variable remuneration opportunity, in the form of:
 - current variable incentive; and
 - deferred variable incentive.

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 a threshold performance level and to continuing employment at the relevant vesting date. The Plan exposes executives to fluctuations in the ABP security price throughout the vesting period and directly rewards them for successfully increasing ABP's security price over that period.

The MD's SARs will vest in three equal tranches of 70,802 SARs each over a three year period from the conditional allocation date (being 13 September 2012):

- tranche 1 on the first anniversary of the conditional allocation date;
- tranche 2 on the second anniversary of the conditional allocation date; and
- tranche 3 on the third anniversary of the conditional allocation date.

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: During the year ending 30 June 2013, subject to shareholder approval, Dr Wolf will be granted 212,406 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 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 10% against the sustainable annual distribution rate determined by the Boards in September 2012. 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 vesting 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. In that event 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 the MD is terminated for cause or resigns, 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 (although the service condition will be deemed to be waived) 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 incentive award.

Other than the MD, no director (or associate of a director) is currently entitled to participate in the Plan. No grants have previously been made to any director (or associate of a director), including the MD under the Plan. In 2008, securityholder approval was obtained to grant performance rights to Dr Wolf under a different plan, the Abacus Property Group Executive Performance Award Plan, and, following that approval, 785,714 rights were granted to Dr Wolf. None of those rights vested. All rights under all previous plans have been cancelled.

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.

