

ASX Release

Notice of 2021 Annual General Meeting

11 October 2021

Charter Hall Limited
ACN 113 531 150

Charter Hall
Funds Management Limited
ABN 31 082 991 786

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Attached is the Charter Hall Group (ASX: CHC) Notice of 2021 Annual General Meeting and Explanatory Memorandum.

Mr Philip Garling has advised the Board of his intention to retire as a Director at the conclusion of the 2021 AGM and is not standing for re-election.

Announcement authorised by the Company Secretary

Charter Hall Group (ASX: [CHC](#))

With over 30 years' experience in property investment and funds management, we're one of Australia's leading fully integrated property groups. We use our property expertise to access, deploy, manage and invest equity across our core sectors – Office, Industrial & Logistics, Retail and Social Infrastructure.

Operating with prudence, we've curated a diverse \$52.3 billion portfolio of 1,388 high quality, long leased properties. With partnership at the heart of our approach, we're creating places that help grow communities; turning them into the best they can be and unlocking hidden value. Taking a long-term view, our \$8.8 billion development pipeline delivers sustainable, technologically enabled projects for our customers.

The impacts of what we do are far-reaching. From helping businesses succeed by supporting their evolving workplace needs, to providing investors with superior returns for a better retirement, we're powered by the drive to go further.

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Charter Hall Group^{*}

Notice of 2021 Annual General Meeting and Explanatory Memorandum

For a meeting to be held on Thursday, 11 November 2021
at 2.30pm Australian Eastern Daylight Time (**AEDT**)

*Charter Hall Limited
(ACN 113 531 150)

*Charter Hall Property Trust
(ARSN 113 339 147)

11 October 2021

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Sydney NSW 2000
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Charter Hall Limited
(ACN 113 531 150) (CHL)

Charter Hall Property Trust
(ARSN 113 339 147) (CHPT)

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Separate attachment

Proxy Form

This is an important document. Please read it carefully.
If you are unable to attend the Meeting, please complete the proxy form and return it in accordance with the instructions in this Notice and in the proxy form.

Dear Securityholder,

Charter Hall Limited and Charter Hall Property Trust (Charter Hall Group) - Annual General Meeting

It is with pleasure that I invite you to the 2021 Annual General Meeting of Charter Hall Group (**the Meeting**), at 2.30pm (AEDT) on Thursday, 11 November 2021, for a briefing on the Group’s operations for the 2021 financial year and to consider the matters set out in the enclosed Notice of Meeting and Explanatory Memorandum.

Charter Hall has been monitoring the advice of government health authorities and current restrictions in relation to the COVID-19 pandemic. In light of the current lockdown measures and uncertainty around the timing when these may be lifted as well as the temporary changes in legislation allowing the convening of online, rather than face-to-face, meetings, the Board has decided to hold this Meeting virtually. Unfortunately, Securityholders will not be able to physically attend the Meeting.

Securityholders are able to attend and participate in the Meeting virtually via the online platform at <https://agmlive.link/CHC21>. Detailed instructions on how to participate in the meeting are contained in the Virtual Meeting Online Guide <https://link.charterhall.com.au/virtualguide>.

If you are unable to attend the meeting, please complete and return your proxy form by no later than 2.30pm (AEDT) on Tuesday, 9 November 2021 in accordance with the instructions on the attached proxy form.

Asking questions at the Annual General Meeting

Securityholders will be able to submit questions in writing online during the Annual General Meeting by following the instructions set out in the Virtual Meeting Online Guide. Representatives from PricewaterhouseCoopers (**PwC**) will be present at the Meeting to respond to the questions received and to any additional questions.

Securityholders have the opportunity to submit questions and/or to address questions to me, as Chair, and/or our external auditor, PwC, prior to the Meeting. Please log on to www.linkmarketservices.com.au, select “Voting”, then click “Ask a Question”. Please note that written questions for PwC must be sent to, and received by, Link Market Services Limited by no later than 5.00pm on Thursday, 4 November 2021 in accordance with the instructions on the website.

In addition, Securityholders who wish to ask questions by telephone during the Annual General Meeting must contact the Company’s Share Registry, Link Market Services on +61 1800 990 363 (Australia and International) from 2 to 9 November 2021 to request a personalised PIN and the applicable telephone number which they will need in order to ask a question by telephone during the meeting. More information about how to ask questions by telephone during the meeting is contained in the Virtual Meeting Online Guide.

If your holding cannot be verified by the moderator, you will attend the Meeting as a visitor and will not be able to ask a question. If you require further information or have questions, please contact the Charter Hall Group Registry on +61 1300 664 498.

I look forward to your participation at the Meeting.

Yours sincerely,


David Clarke
Chair

How to participate in the meeting

Securityholders may attend and participate in the Meeting through an online meeting platform, where Securityholders will be able to watch, listen, ask questions and vote online.

Live online participation (including voting)

Securityholders and proxyholders will be able to attend the Meeting, vote and ask questions online, by using the instructions below:

Enter <https://agmlive.link/CHC21> into a web browser on your computer or online device:

1. Login to the online platform using your full name, email address and company name (if applicable). Securityholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode; and
2. Proxyholders will be emailed their proxy code/number by the Registry, Link Market Services Limited 24 hours before the Meeting.
3. Online registration will open at 2.00pm (AEDT) on Thursday, 11 November 2021 (i.e. half an hour before the Meeting). For further information on how to log on, ask questions and vote online, please refer to the Virtual Meeting Online Guide <https://link.charterhall.com.au/virtualguide>.

Proxy voting and proxyholder participation

Please complete and return your Proxy Form by no later than 2.30pm (AEDT) on Tuesday, 9 November 2021 in accordance with the instructions on the attached Proxy Form.

Proxyholders will be emailed their proxy code/number by the Registry, Link Market Services Limited 24 hours before the Meeting.

Questions

Securityholders will have the opportunity to ask questions (online and orally) at the Meeting. An opportunity for discussion will be provided on each item of business prior to Securityholders being asked to vote. Please note, only Securityholders may ask questions online and orally once they have been verified. It may not be possible to respond to all questions. Securityholders may also lodge questions online prior to the Meeting by logging into the Registry Investor website at <https://investorcentre.linkmarketservices.com.au/Login/Login> by 2.30pm (AEDT) on Tuesday, 19 November 2021.

How to participate live online

Login

Securityholders and proxyholders can watch and participate in the Meeting virtually via the online platform by entering <https://agmlive.link/CHC21> into a web browser on a computer or online device.

You will then need to login to the online platform using your full name, email address and company name (if applicable). Securityholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode.

Proxyholders will need their proxy number which the Registry will provide via email prior to the Meeting.

Proxyholders will need to contact the Registry, Link Market Services Limited on +61 1300 303 063 (within and outside Australia) to obtain their login details to participate live online.

Voting online

Once registered, Securityholders and proxyholders can register to vote.

To register to vote – click on the “Get a voting card” box at the top of the webpage or below the videos.

Ask questions online and orally (via Telephone)

You will only be able to ask a question after you have registered to vote.

If you would like to ask questions online, click on the “Ask a Question” box at the top or bottom of the webpage.

If you like to ask questions via Telephone, you will need to contact Link Market Services on +61 1800 990 363 between 2–9 November 2021 to get a unique PIN No. Please refer to the Virtual Meeting Online Guide on how to ask questions via telephone.

Notice of Meeting

Notice is hereby given that the annual general meeting of Charter Hall Limited (**CHL**) Shareholders and general meeting of Charter Hall Property Trust (**CHPT**) Unitholders (together **Securityholders**) will be held as a virtual meeting online at <https://agmlive.link/CHC21>. Online registration will commence at 2:00pm (AEDT) on Thursday, 11 November 2021.

Important Information:

1. The resolutions should be read in conjunction with the Explanatory Memorandum which follows.
2. Certain terms and abbreviations used below are defined in the Glossary at page 18 of this Notice of Meeting.
3. As explained in the ‘voting exclusions’ paragraphs below, certain Securityholders are excluded from voting in relation to particular resolutions and Charter Hall Group must disregard votes cast by those Securityholders. Please do not vote if your vote must be disregarded or if you are not entitled to vote as outlined in the paragraphs below.
4. The Meeting will be held in accordance with the Corporations Act, the Listing Rules, CHL’s Constitution and CHPT’s Constitution. Copies of both CHL’s Constitution and CHPT’s Constitution can be found on the Charter Hall Group’s website (at <https://www.charterhall.com.au/About-Us/corporate-governance>).

The business of the Meeting is as follows:

BUSINESS:

Item 1 – Annual Report

To receive and consider the Annual Report, consisting of the Financial Report and Directors’ Report, and Auditor’s Report for the year ended 30 June 2021.

Note: There is no requirement for Securityholders to approve these reports.

Item 2 – Election of Directors of CHL

To consider and, if thought fit, pass the following ordinary resolutions of CHL:

“That Ms Jacqueline Chow, appointed as an additional Director of CHL by the Board, is elected as a Director of CHL.”

Item 3 – Adoption of Remuneration Report

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

“That the Remuneration Report included in the Annual Report for the year ended 30 June 2021 be adopted.”

Note: The vote on this resolution is advisory only and does not bind Charter Hall Group or the Directors of CHL.

Voting exclusions

Charter Hall Group will disregard any votes cast on this resolution by a member of the Key Management Personnel or their Closely Related Parties, unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with their directions as set out in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation on the proxy form.

Item 4 – Issue of service rights to Mr David Harrison – Performance Rights and Options Plan (PROP) (Deferred portion of Short-Term Incentive (STI) for FY21)

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

“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 51,384 service rights to Mr David Harrison as described in the Explanatory Memorandum.”

Voting exclusions

Charter Hall Group will disregard any votes cast in favour of this resolution:

- by or on behalf of Mr Harrison or an Associate of Mr Harrison;
- as a proxy by a member of the Key Management Personnel or their Closely Related Parties,

unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with their directions as set out in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation on the proxy form.

In accordance with section 253E of the Corporations Act, Charter Hall Funds Management Limited (**CHFML**) and its Associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

Item 5 – Issue of performance rights to Mr David Harrison – Performance Rights and Options Plan (PROP) (Long Term Incentive (LTI) for FY22)

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

“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 218,594 performance rights to Mr David Harrison as described in the Explanatory Memorandum;

Voting exclusions

Charter Hall Group will disregard any votes cast in favour of this resolution:

- by or on behalf of Mr Harrison or an Associate of Mr Harrison;
- as a proxy by a member of the Key Management Personnel or their Closely Related Parties,

unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with their directions as set out in the proxy form; or

- by the Chair of the Meeting pursuant to an express authorisation on the proxy form.

In accordance with section 253E of the Corporations Act, CHFML and its Associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

Item 6 – Issue of ROP performance rights to Mr David Harrison – Retention and Outperformance Plan (ROP)

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

“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 905,776 performance rights to Mr David Harrison as described in the Explanatory Memorandum.

Voting exclusions

Charter Hall Group will disregard any votes cast in favour of this resolution:

- by or on behalf of Mr Harrison or an Associate of Mr Harrison;
- as a proxy by a member of the Key Management Personnel or their Closely Related Parties,

unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with their directions as set out in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation on the proxy form.

In accordance with section 253E of the Corporations Act, CHFML and its Associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

Item 7 – Remuneration of Non-Executive Directors

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

“That, for the purposes of rule 43(b) of the Constitution and Listing Rule 10.17, the maximum aggregate remuneration that may be paid to all of the non-executive directors of CHL for their services as non-executive directors of CHL be increased from \$1,700,000 per annum to \$2,000,000 per annum.”

Voting exclusions

The Charter Hall Group will disregard any votes cast on these resolutions by or on behalf of any director of CHL and their Associates unless the vote is cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with their directions as set out in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation on the proxy form.

Entitlement to attend and vote

The Directors have determined that the holding of each Securityholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the Register at 7.00pm on Tuesday, 9 November 2021.

At the Meeting, each Securityholder (in their capacity as a CHL Shareholder):

- on a show of hands, has 1 vote; and
- on a poll, has 1 vote for each CHL Share they hold.

At the Meeting, each Securityholder (in their capacity as a CHPT Unitholder):

- on a show of hands, has 1 vote; and
- on a poll, has 1 vote for each dollar of the value of the total interest they have in CHPT.

Voting By Proxy

A Securityholder is entitled to appoint a proxy to attend and vote on behalf of the Securityholder at the Meeting. A proxy need not be a Securityholder of Charter Hall Group.

Securityholders wishing to appoint a Director (including the Chair of the Meeting) or other member of the Key Management Personnel of Charter Hall Group or their Closely Related Parties as their proxy should read carefully the instructions on the proxy form and follow these instructions to ensure their votes are not disregarded.

A Securityholder entitled to cast two or more votes at the Meeting may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the Securityholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, then each proxy may exercise half of the votes.

A proxy form is attached to this Notice of Meeting. To be valid, proxy forms, and the authority under which any form appointing a proxy is signed or a certified copy of that authority (if any), must be received by no later than 2.30pm (AEDT) on Tuesday, 9 November 2021 in accordance with the instructions listed on the attached proxy form.

Alternatively, Securityholders may vote online at <http://linkmarketservices.com.au/Login/Login>, by entering the Securityholder's holding details as shown on the proxy form, then selecting “Voting”, and then following the prompts to lodge the Securityholder's vote. To use the online lodgment facility, Securityholders will need their “Holder Identifier” (Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

If a Securityholder returns its proxy form but does not nominate a representative, the Chair of the Meeting will be that Securityholder's proxy and will vote on that Securityholder's behalf as directed on the proxy form. If the Securityholder's nominated representative does not attend the Meeting, then that Securityholder's proxy will revert to the Chair of the Meeting who may vote as he thinks fit (subject to the note below regarding Items 3, 4, 5, 6 and 7) in relation to any motion or resolution, other than those (if any) in respect of which the Securityholder has provided an indication of the manner of voting on that Securityholder's proxy form.

Undirected Proxies

If a Securityholder does not wish to direct their proxy as to how to vote in respect of a resolution, that proxy may vote as he/she sees fit on each resolution, subject to the requirements of the Corporations Act and Listing Rules (discussed below).

Where permitted, the Chair of the Meeting in respect of each item of business intends to vote undirected proxies in favour of each of the items of business in the Notice of Meeting.

Remuneration related resolutions (Items 3 – 7)

If the Chair of the Meeting is appointed, or taken to be appointed, as a proxy, and the relevant Securityholder does not mark any of the voting boxes opposite Items 3, 4, 5, 6 and 7, the relevant Securityholder will be directing the Chair of the Meeting to vote in favour of the resolution on that Item.

Other Directors (including the Managing Director & Group CEO), members of the Key Management Personnel and their Closely Related Parties will not be able to vote undirected proxies on Items 3, 4, 5, 6 and 7.

Voting by Attorney

A Securityholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by Link Market Services Limited using the contact details listed above in the section headed “Voting by Proxy” by no later than 2.30pm (AEDT) on Tuesday, 9 November 2021. Please note that certified copies of authorities or powers of attorney cannot be received by facsimile and may only be received by mail or by hand delivery.

Corporate representatives

A body corporate which is a Securityholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting.

The appointment must comply with the requirements of section 253B of the Corporations Act. The representative should email evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to Link Market Services.

Voting at the meeting

Voting on the Resolutions at this Meeting will be conducted by poll.

Conduct of the meeting

As this Meeting is a virtual meeting technical issues may arise. In that event, regard will be had to the impact of technical issues on Securityholders and the Chair of the Meeting may, in exercising his powers as the Chair, issue any instructions for resolving the issue and may continue the Meeting if it is appropriate to do so.

Questions and comments by securityholders

At the Meeting, Securityholders will be provided with a reasonable opportunity to ask questions or make comments. For further information on how to ask questions, please refer to the Online Platform Guide on our website at: <https://agmlive.link/CHC21>.

Securityholders may also lodge questions online prior to the Meeting at the Registry Investor website <https://investorcentre.linkmarketservices.com.au/Login/Login> by 2.30pm (AEDT) on Tuesday, 9 November 2021.

By order of the Board.



Mark Bryant

Company Secretary

11 October 2021

Explanatory Memorandum

Item 1 – Annual Report

No Resolution is required for this item of business.

Copies of Charter Hall Group’s 2021 Annual Report are available at www.charterhall.com.au. A copy of the Annual Report has been sent to those Securityholders who requested one. Securityholders who wish to receive a hard copy should contact Link Market Services Limited (see the Corporate Directory for contact details).

During this item of business an opportunity will be given to Securityholders to ask questions about, or make comments on, the management of Charter Hall Group at the Meeting.

Similarly, a reasonable opportunity will be given to Securityholders, as a whole, to ask the Charter Hall Group auditor, PwC, questions relevant to the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies adopted by Charter Hall Group in relation to the preparation of its financial statements and the independence of the auditor in relation to the audit for the year ended 30 June 2021.

Securityholders may also submit questions in advance by logging on to <https://investorcentre.linkmarketservices.com.au/Login/Login>, selecting “Voting” then clicking “Ask a Question”.

Relevant written questions for PwC must be received by no later than 5.00pm (AEDT) on Thursday, 4 November 2021 in accordance with the instructions on the website.

Item 2 – Election and Re-Election of Directors of CHL

Listing Rule 14.4 provides that a director appointed to fill a casual vacancy as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity. It also provides that an entity must hold an election of directors each year. These provisions are substantively replicated in Rule 42 of CHL’s Constitution.

On 17 February 2021, the Board appointed Ms Jacqueline Chow as an additional director to the Board of CHL. Under Listing Rule 14.4 and CHL’s Constitution, any director appointed in this manner may only hold office until the next annual general meeting of the Company.

Ms Jacqueline Chow is eligible to be elected as a Director of CHL and offers herself for election.

Information about the background and experience of Ms Chow is set out below:

Ms Jacqueline Chow – Independent Non-Executive Director

Ms Chow has over 20 years’ corporate experience in executive and non-executive positions in general management, strategy, marketing and technology across a range of sectors, including industrial, retail, telecommunications and financial services.

An experienced Non-Executive Director, Ms Chow is currently a Non-Executive Director of Coles Group and nib Holdings Limited and also consults to McKinsey as a Senior Advisor in their Transformation Group. Prior to commencing her Non-Executive career, Ms Chow held senior positions at Accenture, the Kellogg Company, Campbell’s and most recently, as the Chief Operating Officer, Global Consumer and Food Service for Fonterra. Through these roles, Ms Chow has significant experience in innovation, digital platforms and technology, and driving transformation and cultural change.

Ms Chow graduated with a Bachelor of Science (Hons) from the University of NSW and holds a Master of Business Administration (Dean’s Distinguished Service Award) from the Kellogg School of Management at Northwestern University.

Ms Chow is a member of the Audit, Risk and Compliance Committee.

Recommendation

The Directors of CHL (other than Ms Chow in respect of her election as a Director of CHL) unanimously endorse the election of Ms Chow as a Director of CHL.

In recommending Ms Chow’s election, the Board took into account her deep tenant-focused understanding of the retail and industrial property sectors, and the contributions she has made to the Board and the Audit, Risk and Compliance Committee.

Item 3: Adoption of Remuneration Report

As required by the Corporations Act, the Board is presenting the Remuneration Report to Securityholders for consideration and adoption.

The resolution is advisory only and does not bind the Directors.

The Remuneration Report provides Securityholders with an understanding of:

- Charter Hall Group's remuneration policies as they relate to Key Management Personnel;
- The link between remuneration and Charter Hall Group's performance; and
- Individual outcomes for Charter Hall Group's Key Management Personnel and Directors.

A copy of the Remuneration Report, which is part of the 2021 Annual Report, is available by contacting Link Market Services Limited (see the Corporate Directory for contact details) or by visiting Charter Hall Group's website.

- A reasonable opportunity will be provided for discussion on the Remuneration Report at the Meeting.
- A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

Recommendation

The Directors unanimously recommend the Securityholders vote in favour of Item 3.

Item 4: Issue of service rights to Mr David Harrison - Performance Rights and Options Plan (PROP) (Deferred portion of Short Term Incentive (STI) awarded for FY21)

In accordance with Listing Rule 10.14, Charter Hall Group is seeking the approval of Securityholders for a proposed allocation of service rights to the Managing Director & Group CEO, at no cost to him, under the PROP. The allocation of service rights is the deferred portion of Mr Harrison's STI (equivalent to one third of his awarded STI for FY21).

Details of proposed allocation of service rights under the PROP

Securityholder approval is sought for an allocation of 51,384 service rights to Mr Harrison.

The basis of the quantum of the proposed issue of service rights is explained in paragraph (e).

(a) Nature of the service rights

If the resolution in item 4 is approved, Mr Harrison will receive the service rights in lieu of receiving in cash, for one third of his awarded STI for FY21.

The only vesting condition is that Mr Harrison is employed by the Charter Hall Group on 31 August 2022 for 50% of the service rights to vest, and on 31 August 2023 for the remaining 50% of the service rights to vest, at which time each service right will convert into a Stapled Security.

(b) Date the service rights will be issued

If the resolution in Item 4 is approved by Securityholders, the service rights are proposed to be issued in two tranches to Mr Harrison as soon as practicable after the Meeting, but in any case, no later than 31 August 2022 for 50% of the service rights (the **First Issue Date**), and no later than 31 August 2023 for the remaining 50% of the service rights (the **Second Issue Date**).

Each service right will convert into a fully paid Stapled Security on 31 August 2022 and 31 August 2023 respectively, if the relevant vesting condition is met.

Details of the service rights to be issued will be published in each annual report for Charter Hall Group relating to the period in which the service rights have been issued, noting that approval for the issue of the service rights was obtained pursuant to Listing Rule 10.14.

Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

If the resolution in Item 4 is not approved by Securityholders, 50% of the deferred STI entitlement will vest on 31 August 2022, with a gross cash remuneration entitlement of \$375,000 to be paid no later than 31 August 2022. The remaining 50% of the deferred STI entitlement will vest on 31 August 2023, with a gross cash remuneration entitlement of \$375,000 to be paid no later than 31 August 2023.

(c) Maximum number of service rights to be granted

The maximum number of service rights that may be awarded to Mr Harrison pursuant to the resolution proposed in Item 4 is 51,384 service rights.

(d) Vesting conditions of service rights

If Mr Harrison ceases to be employed (i.e. he resigns or is terminated for cause) by the Charter Hall Group:

- on or before 31 August 2022, the service rights or cash payment rights (depending on whether the resolution in Item 4 was approved by Securityholders) would be forfeited; or
- on or before 31 August 2023, the second tranche (being the remaining 50%) of the service rights or cash payment rights (depending on whether the resolution in Item 4 was approved by Securityholders) would be forfeited.

If Mr Harrison's employment is terminated for any other reason:

- on or before 31 August 2022, the service rights or cash payment rights (depending on whether the resolution in Item 4 was approved by Securityholders) will continue to be held by Mr Harrison and, subject to the PROP rules and terms of the offer, will vest on the relevant vesting dates for each tranche as though Mr Harrison had not ceased employment; or
- after 31 August 2022 but on or before 31 August 2023, the second tranche (being the remaining 50%) of the service rights or cash payment rights (depending on whether the resolution in Item 4 was approved by Security holders) will continue to be held by Mr Harrison and, subject to the PROP rules and terms of the offer, will vest on the vesting date as though Mr Harrison had not ceased employment,

unless the Board determines otherwise.

(e) Basis for the quantum of the proposed issue of service rights to Mr Harrison

STI Overview

In respect of FY21, any STI amount was subject to the Charter Hall Group achieving a threshold of 95% or more of the target annual OEPS.

STI payments for FY21 reflected the Charter Hall Group achieving an OEPS which exceeded the Group target in addition to achieving other financial and non-financial targets.

Once the OEPS threshold was reached, individual performance against other objectives became the basis for determining what STI payments were to be made to individuals, if any. The Board, in consultation with the Remuneration and Human Resources Committee, assessed the performance of Mr Harrison against his individual performance measures established for FY21. The Board also retains the discretion to increase/decrease the STI amount available based on its assessment of overall performance.

The Managing Director's scorecard was divided into three performance measures, Financial, Customer, and Culture/Leadership/Collaboration. These scorecard KPI categories represent important elements of Charter Hall's core strategic objectives. Each of these categories has measures of 'Growth' and 'Resilience'. Whilst 'Growth' measures are focused on building the Group's capability across all KPI categories, 'Resilience' measures drive sustainable growth and encourage risk management.

Below is a summary of the Managing Director's performance measures and KPIs for FY21 as assessed by the Board:

- Financial Measures (weighted at 50%) including Charter Hall Group OEPS growth; growth in funds under management; outperformance of funds to relevant indices; maintaining Group investment capacity; and securing and exceeding budgeted net equity flows;
- Customer (30%) including positive customer and investor satisfaction survey outcomes, delivering effective customer retention strategies; and ESG focus and resourcing strategies; and
- Culture, Leadership and Collaboration (20%) including driving an engaged, inclusive, diverse culture, strengthening leadership and succession and driving Fund NED engagement levels.

These performance measures were selected as they establish a clear link between Charter Hall Group performance and purpose, our core strategic objectives of growth and resilience and long-term interests of our customers and securityholders.

FY21 STI achievement

The number of service rights that Mr Harrison will be allocated has been determined by dividing the value of the deferred portion of his STI award for FY21 of \$750,000 by the fair value of the service rights (i.e. \$14.596) calculated as the average of the value of each tranche using the Black-Scholes-Merton model which discounted for dividends/distributions foregone during the deferral period as determined by the Board on 7 September 2021, equating to 51,384 service rights to Mr Harrison.

Other Matters

There are no loans to be granted by CHL or CHFML to Mr Harrison in relation to the acquisition of the service rights under the proposed grant in Item 4.

The PROP was first introduced in 2008.

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities. CHC Securityholders last approved an issue of performance rights and service rights under the PROP at the Annual General Meeting of Charter Hall Group held in November 2020. At the 2020 Annual General Meeting, Securityholders approved the issue of 80,922 service rights (which represents the FY20 deferred STI) and 265,737 performance rights (which represents the FY21 LTI) to Mr Harrison, with a nil exercise price.

No amount was paid or payable on the issue of service rights and performance rights to Mr Harrison which were approved at the 2020 Annual General Meeting.

Apart from Mr Harrison, no Directors or associates of Directors are participants in the PROP or have been invited or are entitled to participate in the PROP.

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

Recommendation

The Directors (other than Mr Harrison) unanimously recommend that Securityholders vote in favour of the Item 4 resolution.

Item 5 - Issue of performance rights to Mr David Harrison – Performance Rights and Options Plan (PROP) (Long Term Incentive (LTI) for FY22)

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities.

Consequently, Charter Hall Group is seeking approval of Securityholders for the proposed allocation of performance rights in respect of the financial year ending 30 June 2021, to Mr Harrison under the PROP.

Details of the proposed allocation of performance rights under the PROP

In respect of the financial year ending on 30 June 2022, Securityholder approval is sought for an allocation of performance rights to Mr Harrison vesting over a four-year performance period i.e. over the period commencing on 1 July 2021 and ending on 30 June 2025. The remuneration mix for Mr Harrison includes an amount for an LTI of \$3,000,000 for which 218,594 performance rights will be issued based upon the value of a performance right at 1 July 2021 of \$13.724 which was independently valued using the Black-Scholes-Merton model which discounted for dividends/distributions foregone during the performance period to the vesting date.

(a) Price of the performance rights

No amount is payable on the grant of an award of performance rights under the PROP. In addition, no amount is payable to exercise a performance right once it vests. Please refer to the information in paragraphs (d) and (e) below in relation to the relevant vesting service and performance conditions of performance rights.

If the applicable vesting service and performance conditions are met, Mr Harrison will be entitled to receive one fully paid Stapled Security in the Charter Hall Group in respect of each vested performance right (subject to adjustment in accordance with the Listing Rules in the event of a reorganisation of the issued ordinary share capital of CHL or issued unit capital of CHPT, or as otherwise contemplated by the PROP rules).

(b) Date the performance rights will be issued

If the resolution in Item 5 is approved by Securityholders, the performance rights are proposed to be issued to Mr Harrison as soon as practicable after the Meeting, but in any case, no later than twelve months after the date of the 2021 Annual General Meeting (**the Issue Date**). If the resolution in Item 5 is not approved by Securityholders, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Harrison.

(c) Maximum number of performance rights to be provided

The maximum number of performance rights that may be awarded to Mr Harrison pursuant to the resolution proposed in Item 5, is 218,594 performance rights based upon a valuation of \$13.724 per performance right.

(d) Vesting conditions of performance rights

The vesting of performance rights under the PROP is subject to both service and performance conditions.

The FY22 grant performance rights may vest on 31 August 2025. These rights cannot be exercised until after the release of the full FY25 results.

The performance conditions for each tranche are based on operating earnings per security (**OPES**) growth and relative ASX total shareholder return (**TSR**) hurdles in equal proportions as follows:

Operating Earnings Per Security measure

The OEPS growth hurdle measures the aggregate OEPS of Charter Hall Group achieved over the relevant performance period. The Board has set the commencement OEPS for the FY22 grant as the FY21 OEPS of 61 cents per security (**cps**) (after tax).

For the FY22 grant, 50% of performance rights will vest on 31 August 2025 if the aggregate OEPS over the four-year performance period from 1 July 2021 to 30 June 2025 is equal to 276.06 cps (after tax), representing 5% per annum compound growth on the FY21 OEPS of 61 cps (after tax) over the four-year performance period and 100% of performance rights will vest if the aggregate OEPS over the four-year performance period is equal to 289.80 cps (after tax), representing 7% per annum compound growth over the four-year performance period, with progressive pro-rata vesting (i.e. on a straight line basis) between 276.06 cps (after tax) and 289.80 cps (after tax).

Relative TSR performance condition

Relative TSR performance is determined based on Charter Hall Group's total ASX return (assuming distributions are reinvested) ranking against the constituents of the comparator group (see below) over the relevant performance measurement period. The performance measurement period for the FY22 grant is four years from 1 July 2021 to 30 June 2025. Performance rights vest on 31 August 2025 if the TSR of Charter Hall Group for the performance period ranks between the 50th to 75th percentile of the Comparator Group, with 50% of performance rights vesting at the 50th percentile and 100% vesting at the 75th percentile, with progressive pro-rata vesting between the 50th and 75th percentile (i.e. on a straight line basis).

The base price of Charter Hall Group's Stapled Securities for calculation of the total return is the volume weighted average price (**VWAP**) for the month of June 2021, which was \$15.21, with the final price being the VWAP for the final month of the performance period i.e. June 2025.

The Board has determined the Comparator Group for the FY22 LTI to be:

- Abacus Property Group (ABP)
- BWP Trust (BWP)
- Centuria Capital Group (CNI)
- Centuria Industrial REIT (CIP)
- Charter Hall Long Wale REIT (CLW)
- Charter Hall Retail REIT (CQR)
- Cromwell Property Group (CMW)
- Dexus Property Group (DXS)
- Goodman Group (GMG)
- GPT Group (GPT)
- Growthpoint Properties Australia (GOZ)
- Ingenia Community Stapled Securities (INA)
- Mirvac Group (MGR)
- National Storage REIT (NSR)
- Scentre Group (SCG)
- Shopping Centres Australasia Property Group (SCP)
- Stockland (SGP)
- Vicinity Centres (VCX)
- Waypoint REIT (WPR)

The Board is able to determine the treatment of the companies in the comparator group at the Board's discretion.

If Mr Harrison ceases to be employed (i.e. he resigns or is terminated for cause) by the Charter Hall Group on or before 31 August 2025, the performance rights (depending on whether the resolution in Item 5 was approved by Securityholders) would be forfeited, unless the Board determines otherwise.

If Mr Harrison's employment is terminated for any other reason on or before 31 August 2025, unless the Board determines otherwise the performance rights (depending on whether the resolution in Item 5 was approved by Securityholders) will continue to be held by Mr Harrison and, subject to the Plan Rules and terms of the offer, will vest on the Vesting Date as though he had not ceased employment.

General Conditions

50% of performance rights are subject to the relative TSR measure and 50% are subject to the OEPS measure.

Any performance rights that fail to vest on the vesting dates are forfeited.

The Board considered that relative ASX TSR is an appropriate performance hurdle because it ensures that a portion of each participant's remuneration is linked to the relative market performance of Charter Hall Group Stapled Securities, ensuring that participants only receive a benefit where there is a corresponding relative benefit to Securityholders.

The Board considered that the aggregate OEPS performance hurdle is appropriate because it is within the Executive's ability to influence and is a key driver of securityholder returns and therefore aligns performance with returns to securityholders.

Absent any unusual circumstances where Board discretion ought to be exercised, in order to meet the service condition PROP participants must be employed by the Charter Hall Group on the relevant vesting date of any performance right.

(e) Vesting period

For this proposed LTI award the OEPS and relative ASX TSR performance measures will be assessed over the four-year period from 1 July 2021 to 30 June 2025. The service vesting condition is that the relevant employee is employed by the Charter Hall Group on the vesting date of 31 August 2025. If the performance conditions are met, the rights will vest on the vesting date.

(f) Basis for the quantum of the proposed issue of performance rights to Mr Harrison

The Remuneration Framework applicable to Mr Harrison is described in the Remuneration Report section of the Annual Report. In summary, it comprises base pay and superannuation (fixed remuneration), an STI and an LTI.

As noted in the Remuneration Report, due to the significant growth in the Charter Hall business over the last two years and with no increase to remuneration in FY21, Ferguson Partners were engaged to conduct a targeted peer group remuneration benchmarking analysis for key senior roles to ensure that their remuneration is at market. Over this period, Charter Hall's market capitalisation increased by 43% from \$5.04 billion (as at 30 June 2019) to \$7.23 billion (as at 30 June 2021) and the Group's Funds Under Management (**FUM**) increased by 72% from \$30.4 billion (as at 30 June 2019) to \$52.3 billion (as at 30 June 2021).

As a result of the independent remuneration benchmarking review and in accordance with Charter Hall's Remuneration Principles including to attract, retain and motivate top talent, Mr Harrison's total annual remuneration increased from \$5,250,000 in FY21 to \$6,750,000 in FY22, comprising fixed annual remuneration of \$1,500,000 (unchanged from FY21), on-target STI of \$2,250,00 (increased from \$1,500,000 in FY21) and an LTI opportunity of \$3,000,000 (increased from \$2,250,000 in FY21). Mr Harrison's fixed annual remuneration comprises cash base salary and statutory superannuation contributions. The increase in total annual remuneration is all in at-risk STI and LTI, with 77.8% of total annual remuneration in these at-risk components.

Information on the LTI and Remuneration review is also provided in the FY21 Remuneration Report contained within the FY21 Annual Report.

The proposed increase in the LTI value of performance rights issued to Mr Harrison in FY22, compared to FY21, reflects the growth and current position of the Group and is necessary to bring remuneration into line with market.

A Black-Scholes-Merton valuation model which discounts for dividends/distributions foregone during the performance period to vesting has been utilised to arrive at the fair value of an LTI performance right at the time of its award to the employee. A Monte Carlo simulation will be utilised to calculate the accounting expense where required by accounting standards. These figures have been determined based on a valuation report prepared by Deloitte.

As outlined in the Remuneration Report, the Board utilised the Black-Scholes-Merton valuation model, which discounts for dividends/distributions forgone during the performance period, for the allocation of LTI performance rights.

(g) Securities held

The number of Stapled Securities, options and performance rights currently held by Mr Harrison are set out on page 79 of the Annual Report.

(h) Other matters

There are no loans to be granted by CHL or CHFML to Mr Harrison in relation to the acquisition of the performance rights under the proposed grant in Item 5.

The PROP was first introduced in 2008.

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities. CHC Securityholders last approved an issue of performance rights and service rights under the PROP at the Annual General Meeting of Charter Hall Group held in November 2020.

At the 2020 Annual General Meeting, Securityholders approved the issue of 80,922 service rights (which represents the FY20 deferred STI) and 265,737 performance rights (which represents the FY21 LTI) to Mr Harrison, with a nil exercise price.

No amount was paid or payable on the issue of service rights and performance rights to Mr Harrison which were approved at the 2020 Annual General Meeting.

Apart from Mr Harrison, no Directors or associates of Directors are participants in the PROP or have been invited or are entitled to participate in the PROP.

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

Recommendation

The Directors (other than Mr Harrison) unanimously recommend that Securityholders vote in favour of the Item 5 resolution.

Item 6 - Issue of ROP performance rights to Mr David Harrison – Retention and Outperformance Plan (ROP)

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities.

Consequently, Charter Hall Group is seeking approval of Securityholders for the proposed allocation of ROP performance rights to Mr Harrison under the FY22 ROP.

As the Charter Hall Group embarks on the next period of growth, the Board, in its desire for the Managing Director to continue his successful long-term leadership of the Group and to retain and incentivise the high performing team of other key senior management roles, introduced this one-off award as an additional retention mechanism and reward for outperformance.

As noted in the Remuneration Report, the Board believes that the continuity of leadership and retaining a high performing team as well as succession planning are critical in the current highly competitive landscape for executive leadership talent.

The ROP is designed to enable meaningful participation in outperformance of returns to securityholders. The ROP aims to reward participants if the Group TSR over the next five years strongly outperforms on a relative TSR basis and achieves a minimum absolute TSR. This award vests, for each participant, only if they meet individual non-financial performance expectations and behaviors consistent with the Group's purpose and values, to the satisfaction of the Board. This ROP is in addition to regular annual total target remuneration (**TTR**) for FY22 only.

Details of the proposed allocation of ROP performance rights under the ROP

In respect of the financial year ending on 30 June 2022, Securityholder approval is sought for an allocation of ROP performance rights to Mr Harrison vesting over a five-year performance period.

(a) Price of the performance rights

No amount is payable on the grant of an award of ROP performance rights under the ROP. In addition, no amount is payable to exercise a ROP performance right once it vests. Please refer to the information in paragraphs (d) and (e) below in relation to the relevant vesting service and performance conditions of performance rights.

If the applicable vesting service and performance conditions are met, Mr Harrison will be entitled to receive one fully paid Stapled Security in the Charter Hall Group in respect of each vested ROP performance right (subject to adjustment in accordance with the Listing Rules in the event of a reorganisation of the issued ordinary share capital of CHL or issued unit capital of CHPT, or as otherwise contemplated by the ROP rules).

(b) Date the performance rights will be issued

If the resolution in Item 6 is approved by Securityholders, the performance rights are proposed to be issued to Mr Harrison as soon as practicable after the Meeting, but in any case, no later than twelve months after the date of the 2021 Annual General Meeting (the **Issue Date**). If the resolution in Item 6 is not approved by Securityholders, the Board will consider alternative arrangements to appropriately retain and reward Mr Harrison for outperformance.

(c) Maximum number of ROP performance rights to be provided

The maximum number of performance rights to be issued to Mr Harrison pursuant to the resolution proposed in Item 6, is 905,776 performance rights.

In designing this ROP and determining the allocation to Mr Harrison, the Board considered its desire for the Managing Director to continue his successful long-term leadership of Charter Hall and the delivery of strong and competitive TSR outperformance for Charter Hall securityholders.

(d) Vesting conditions of ROP performance rights

The ROP performance rights have a five-year performance period, with vesting conditions tested over the period commencing on 1 July 2021 and ending on 30 June 2026.

The ROP performance rights have a relative TSR gateway performance condition. If the gateway performance condition is met, the ROP performance rights are then subject to financial and non-financial performance conditions. These are described below:

Gateway Performance Condition: Relative Total Securityholder Return

For the ROP performance rights to be eligible for vesting, the Group must achieve a top three TSR rank against the comparator group over the performance period.

The comparator group for the relative TSR is:

- Abacus Property Group (ABP)
- BWP Trust (BWP)
- Centuria Capital Group (CNI)
- Centuria Industrial REIT (CIP)
- Charter Hall Long Wale REIT (CLW)
- Charter Hall Retail REIT (CQR)
- Cromwell Property Group (CMW)
- Dexu Property Group (DXS)
- Goodman Group (GMG)
- GPT Group (GPT)
- Growthpoint Properties Australia (GOZ)
- Ingenia Community Stapled Securities (INA)
- Mirvac Group (MGR)
- National Storage REIT (NSR)
- Scentre Group (SCG)
- Shopping Centres Australasia Property Group (SCP)
- Stockland (SGP)
- Vicinity Centres (VCX)
- Waypoint REIT (WPR)

This comparator group is subject to change at the Board's discretion (for example, if there is a material alteration to a comparator group's structure (e.g. an acquisition) or a major change to a comparator organisation, the Board has the ability to amend, omit or substitute companies in the comparator groups).

A top-3 ranking in terms of TSR against the comparator group over the performance period would be equivalent to an 89th percentile position. Across the peer group for those REITs that have a Relative TSR measure in their LTI plans, 100% vesting typically occurs at a 75th percentile Relative TSR performance. The measure in this ROP serves to ensure that the Absolute TSR performance is sufficient on a Relative TSR basis.

Performance Conditions – Financial and non-financial measures

If the Gateway Performance Condition is met, the ROP performance rights are then subject to the following financial and non-financial measures.

Non-Financial performance measure:

The vesting of the ROP performance rights for each participant will only occur if they meet individual non-financial performance expectations and behaviour is consistent with the Group’s purpose and values, to the satisfaction of the Board.

Financial measure: Absolute Total Securityholder Return

The number of ROP performance rights that vest will be determined by the Board by reference to the Compound Annual Growth Rate (CAGR) achieved in the TSR over the five-year performance period.

The number of ROP performance rights that will be eligible to vest will be calculated as follows:

TSR % achieved over Performance Period (5 year CAGR)	% of Performance Rights eligible to vest
Less than 12% CAGR	0%
12% CAGR	40%
More than 12% CAGR but less than less than 15% CAGR	Pro-rata straight-line vesting between 40% to 100%
15% CAGR or higher	100%

The 12% - 15% CAGR range for the TSR measure has been selected as it represents strong absolute performance and requires significant ongoing OEPS growth over the 5-year performance period, particularly in circumstances where there is no increase in Charter Hall’s price earnings multiple. While Charter Hall has achieved higher TSR over the last five years this has been as a result of both strong OEPS growth and a significant increase in its price earnings multiple in an environment of declining interest rates and real asset appreciation. If there continues to be increases in price earnings multiples that contribute materially to the TSR performance of Charter Hall then the Relative TSR gateway measure will establish whether Charter Hall’s Absolute TSR is in the top three of the comparator group to qualify for vesting.

When considered in combination with the Relative TSR measure, the structure requires both sector leading performance and absolute TSR in excess of long-term averages as measured by the S&P/ASX A-REIT Index.

The calculation of performance against the performance conditions and the vesting outcomes will be determined by the Board in its absolute discretion.

Any ROP performance rights that the Board determines not to vest on the vesting date will lapse.

If Mr Harrison ceases to be employed (i.e. he resigns or is terminated for cause) by the Charter Hall Group on or before 30 June 2028, the performance rights or restricted securities (depending on whether the resolution in Item 6 was approved by Securityholders) would be forfeited, unless the Board determines otherwise.

If Mr Harrison’s employment is terminated for any other reason on or before 30 June 2028 (depending on whether the resolution in Item 6 was approved by Securityholders), unless the Board determines otherwise, a pro rata portion of rights (calculated based on the portion of the performance period that has elapsed up until the date of termination) and all restricted securities will continue to remain on foot and, subject to the original terms of the offer, as though Mr Harrison had not ceased employment.

(e) Vesting period

The ROP rights will vest following 30 June 2026 subject to the performance testing conditions being met. They will then be subject to a mandatory restricted period of two years.

(f) Distribution and Voting Rights

The allocated performance rights will not have any rights to vote or receive distributions during the performance period.

During the two-year restricted period between 30 June 2026 and 30 June 2028, ROP participants will received declared dividends/distributions on securities allocated to the participant on vesting of their ROP performance rights.

(g) Basis for the quantum of the proposed issue of ROP performance rights to Mr Harrison

The allocation of the ROP performance rights to Mr Harrison was determined having regard to Mr Harrison’s total TTR relative to the total TTR for all participants in the ROP and considering Mr Harrison’s continuing contribution to the performance of the Group.

(h) Securities held

The number of Stapled Securities, options and performance rights currently held by Mr Harrison are set out on page 79 of the Annual Report.

(i) Other matters

The ROP in a one-off award introduced in FY22. Apart from Mr Harrison, no Directors or associates of Directors are participants in the ROP or have been invited or are entitled to participate in the PROP.

Mr Harrison’s FY22 total remuneration is \$6,750,000, comprising fixed annual remuneration of \$1,500,000, on-target STI of \$2,250,00 and an LTI opportunity of \$3,000,000. Mr Harrison’s fixed annual remuneration comprises cash base salary and statutory superannuation contributions.

Information on the ROP is also provided in the FY21 Remuneration Report contained within the FY21 Annual Report.

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

Recommendation

The Directors (other than Mr Harrison) unanimously recommend that Securityholders vote in favour of the Item 6 resolution.

Item 7 - Remuneration of Non-Executive Directors

In accordance with Listing Rule 10.17, Securityholders are being asked to approve an increase in the maximum aggregate sum which may be paid as non-executive directors’ fees (Fee Pool) by \$300,000 from \$1.7 million per annum to \$2 million per annum.

Currently, the annual fees payable to the 6 non-executive directors totals \$1,591,500. Accordingly, the current Fee Pool places constraints on the ability of the Board or Securityholders to appoint additional non-executive directors as may be necessary or desirable.

The last increase to the Fee Pool was effective from 1 July 2017 (approved at the 2017 AGM). The 2017 increase followed an independent remuneration benchmarking report undertaken by Egan Associates to determine, among other matters, appropriate non-executive directors’ fees and payments. This benchmarking exercise was the last independent review of Charter Hall Group Non-Executive Director (NED) fees relative to market. Due to the growth of the Charter Hall Group since then, in June 2021 EY was engaged to provide market benchmarking data in relation to NED Board and Committee fees to assist with a review to take effect from 1 July 2022.

This report provided factual information relating to NED fee quantum for companies within two comparator groups based on:

- (market capitalisation) being S&P ASX 200 (ASX 200) companies (defined as at 1 April 2021) with a 6-month average market capitalisation (to 31 May 2021) within 50% to 200% of Charter Hall’s market capitalisation; and
- (industry) being S&P ASX 200 (ASX 200) companies (defined as at 1 April 2021) with an Equity Real Estate Investment Trusts (REITs) Global Industry Classification Standard (GICS) industry name.

The report found that the median NED fee pool for companies in the market capitalisation comparator group is \$2.0 million and for the industry comparator group is \$1.8 million.

The report further found that the individual Charter Hall NED fees as assessed against the market capitalisation and revenue of the two comparator groups and FUM of the Industry comparator group, were below the median.

In determining the Charter Hall NED fees, the Board also had regard to the considerable growth experienced by the Group since 2017, noting that

- Market capitalisation has increased 182% (from \$2.56bn at 30 June 2017 to \$7.21bn at 30 June 2021); and
- FUM has increased 164% (from \$19.8bn at 30 June 2017 to \$52.3bn at 30 June 2021).

As at 1 July 2021, non-executive directors are paid a fee of \$175,000. This reflects an increase of \$17,410 from the FY21 base fees of \$157,590.

The fee payable to the Chair is \$465,000, inclusive of all Committee participation. This reflects an increase of \$71,400 from the Chair’s FY21 fees of \$393,600. Additional fees are payable to members of Board Committees from 1 July 2021 as follows. The FY21 Board Committee fees are also shown for information purposes.

Committee	Chair	Member
Audit, Risk and Compliance Committee	\$55,000 (FY21 \$42,025)	\$25,000 (FY21 \$21,010)
Remuneration and Human Resources Committee	\$40,000 (FY21 \$31,515)	\$18,500 (FY21 \$15,755)
Nominations Committee	\$5,000 (FY21 \$3,150)	\$5,000 (FY21 \$3,150)
Investment Committee	\$17,000 (FY21 \$15,755)	\$12,000 (FY21 \$10,505)

All of the above fees are per annum and inclusive of compulsory superannuation contributions.

No securities have been issued to non-executive directors under Listing Rule 10.11 or Listing Rule 10.14 within the preceding three years.

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

Recommendation

The Directors make no recommendation with respect to the Item 7 resolution.

Glossary

AEDT	Australian Eastern Daylight Time
Annual Report	the annual report of Charter Hall Group that includes the financial report, the Directors' report and the independent audit report for the period ended 30 June 2020
ASX	ASX Limited
Associate	the definition provided in the note to Rule 14.11 of the Listing Rules
Auditor or PwC	PricewaterhouseCoopers
Board	board of Directors of CHL and/or CHFML, as appropriate
CAGR	compound annual growth rate
Charter Hall Group or Group	CHL and CHPT and, where appropriate, their controlled entities
CHFML or the Responsible Entity	Charter Hall Funds Management Limited (ACN 082 991 786; AFSL 262861) in its capacity as responsible entity of CHPT
CHL or the Company	Charter Hall Limited (ACN 113 531 150)
CHL Share	a share in CHL
CHL Shareholder	a registered holder of a CHL Share
CHPT	Charter Hall Property Trust (ARSN 113 339 147)
CHPT Unit	a unit in CHPT
CHPT Unitholder	a registered holder of a CHPT Unit
Closely Related Party	has the meaning given in the Corporations Act
Corporations Act	the Corporations Act 2001 (Cth)
Cps	Cents per security
Directors	the directors of CHL and/or CHFML, as appropriate
Explanatory Memorandum	the explanatory memorandum that accompanies this Notice of Meeting
FUM	Funds Under Management
Listing Rules	Listing Rules of ASX
LTI	long term incentive
Managing Director & Group CEO	David Harrison
Meeting	the 2021 annual general meeting of CHL Shareholders and general meeting of CHPT
NED	Non-Executive Director
Notice of Meeting	this notice of Meeting and any notice of any adjournment of the Meeting
OEPS	Operating Earnings per Security
PROP	the Performance Rights and Options Plan of Charter Hall Group
Register	the register of Securityholders as maintained by Link Market Services Limited
Remuneration Report	the Remuneration Report included in the Annual Report
ROP	The Retention and Outperformance Plan of Charter Hall Group
Securityholders	registered holders of Stapled Securities
Stapled Security	means a CHL Share stapled to a CHPT Unit
STI	short term incentive
TSR	total shareholder return
VWAP	volume weighted average price

Interpretation

The following rules apply unless the context requires otherwise:

- a. The singular includes the plural, and the converse also applies.
- b. If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- c. A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

Corporate directory

Registered office

Level 20, No.1 Martin Place
Sydney NSW 2000

Tel +61 2 8651 9000

ASX Code CHC

Directors

David Clarke (Chair)
Jacqueline Chow
Philip Garling
David Harrison
Karen Moses
Greg Paramor AO
David Ross

Company Secretary

Mark Bryant

Auditor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay, Barangaroo
Sydney NSW 2000

Investor relations

All other enquiries related to Charter Hall Group can be directed to Investor Relations:

Charter Hall Group

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Sydney NSW 2001

Tel 1300 365 585 (within Australia)
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LODGE YOUR VOTE

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*subject to any COVID-19 public health orders and restrictions

ALL ENQUIRIES TO
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PROXY FORM

I/We being a member(s) of Charter Hall Group and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm (AEDT) on Thursday, 11 November 2021** (the Meeting) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/CHC21> (refer to details in the Notice of Meeting and the Virtual Online Meeting Guide).

Important for Resolutions 3 to 7: If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 3 to 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

2 Election of Director –
Ms Jacqueline Chow

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Issue of service rights to Mr David Harrison – Performance Rights and Options Plan (Deferred portion of Short Term Incentive (STI) for FY21)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Issue of performance rights to Mr David Harrison – Performance Rights and Options Plan (Long Term Incentive (LTI) for FY22)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6 Issue of ROP performance rights to Mr David Harrison – Retention and Outperformance Plan (ROP)

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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7 Remuneration of Non-Executive Directors

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

CHC PRX2101N

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm (AEDT) on Tuesday, 9 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Charter Hall Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to any COVID-19 public health orders and restrictions