

NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY MEMORANDUM 2021

For personal use only



DATE OF MEETING:

Thursday 25 November 2021

For a meeting to be held virtually at
10.00am (Melbourne time)

2021 ANNUAL REPORT

Investors are encouraged to read the
2021 Annual Report prior to the AGM.
Please visit [www.arena.com.au/
investor-centre/agm](http://www.arena.com.au/investor-centre/agm) to download
your copy.





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FURTHER INFORMATION

If you have any questions regarding this document, please contact the toll free Information Line on 1800 008 494 (within Australia) or +61 3 9093 9000 (outside Australia) between 8.30am to 5.30pm (Melbourne time) Monday to Friday.

Alternatively, you may also contact your financial, legal, taxation or other professional adviser.

HOW TO VOTE

To vote, eligible Securityholders should either:

1. **Attend the Meeting** on Thursday 25 November 2021 via the online platform at web.lumiagm.com/353210687 and vote in person.
2. **Vote online:** www.votingonline.com.au/arfagm2021 prior to 10.00am (Melbourne time) Tuesday 23 November 2021.
3. **Lodge a proxy form** by mail, fax or in person to Boardroom and ensure it is received by 10.00am (Melbourne time) Tuesday 23 November 2021.

Please refer to page 6 for further details regarding how to vote.



INTRODUCTION

Dear Investor

I am pleased to invite you to attend Arena REIT's 2021 Annual General Meeting (AGM) of Securityholders.

In light of the ongoing impact of COVID-19 and in the interest of the health and safety of Securityholders, staff and other stakeholders, the AGM will be held as a virtual meeting. The AGM will be held on Thursday 25 November 2021 at 10.00am (Melbourne time) via the online platform at web.lumiagm.com/353210687.

All resolutions will be decided by a poll and Securityholders will be able to vote and ask questions during the meeting.

In accordance with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*, the Notice of Meeting, Explanatory Memorandum and Proxy Form have been sent to you via email if we have a registered email address for your holding.

Information on how to attend and participate virtually is set out in the Notice of Meeting. If you are unable to attend, please complete and return your Proxy Form. The voting results of the AGM will be announced to the ASX following the conclusion of the AGM.

The Independent Directors unanimously recommend that you vote in favour of all resolutions (except resolution 7, as the Directors have abstained from providing a recommendation on that resolution).

I look forward to your attendance and participation at the virtual AGM.

Yours sincerely,



David Ross
Chair



David Ross, Chair.



2021 NOTICE OF ANNUAL GENERAL MEETING

Annual General Meeting of Arena REIT Limited and General Meeting of Arena REIT No.1 and General Meeting of Arena REIT No.2 (together Arena REIT).

Notice is given that a meeting of shareholders in Arena REIT Limited (ACN 602 365 186) (the **Company**) will be held in conjunction with meetings of unitholders in trusts Arena REIT No.1 and Arena REIT No.2 (the **Trusts**) and together, these three simultaneous general meetings will constitute the AGM of Arena REIT, as follows:

Time: 10.00am (Melbourne time)

Date: Thursday 25 November 2021

Online platform: web.lumiagm.com/353210687

Meeting ID: 353-210-687

Arena REIT Management Limited (ACN 600 069 761, AFSL 465754) (**Responsible Entity**) is the responsible entity of the Trusts.

BUSINESS OF THE MEETING

The business to be considered at the AGM is as follows:

ORDINARY BUSINESS

Financial Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report, each for the financial year ended 30 June 2021.

Resolution 1 – Non-binding advisory vote on the Remuneration Report

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

'That the Remuneration Report for the financial year ended 30 June 2021 be adopted.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

OTHER BUSINESS

Resolution 2 – Re-election of Mr Dennis Wildenburg as a director of the Company

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

'That Mr Dennis Wildenburg, who retires by rotation in accordance with ASX Listing Rules 14.4 and 14.5 and, being eligible, offers himself for re-election, be re-elected as a director of the Company.'

Resolution 3 – Grant of Deferred STI Rights to Mr Rob de Vos

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Rob de Vos, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term

Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Resolution 4 – Grant of LTI Performance Rights to Mr Rob de Vos

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Managing Director, Mr Rob de Vos, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Resolution 5 – Grant of Deferred STI Rights to Mr Gareth Winter

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Chief Financial Officer and an executive director of the Responsible Entity, Mr Gareth Winter, of rights as his deferred short term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Resolution 6 – Grant of LTI Performance Rights to Mr Gareth Winter

To consider and, if thought fit, pass the following resolutions as separate ordinary resolutions of the Company and each of the Trusts:

'That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to the Chief Financial Officer and an executive director of the Responsible Entity, Mr Gareth Winter, of performance rights as his long term incentive under the Arena REIT Deferred Short Term and Long Term Incentive Plan on the terms set out in the Explanatory Memorandum to this Notice of Meeting, is approved'.

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

Resolution 7 – Remuneration of non-executive directors

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

2021 NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

'That, in accordance with clause 2.11(a) of the Company constitution and ASX Listing Rule 10.17, the maximum total aggregate amount of fees payable to the non-executive directors be increased to \$1,000,000 per annum.'

This item is subject to voting exclusions – see the voting exclusion statement in the Explanatory Memorandum.

NOTES

Chair

Under section 252S of the Corporations Act and the constitution of the Company, Arena REIT is entitled to appoint a person to chair the AGM. The Responsible Entity and board of the Company intend to appoint Arena REIT's Independent, Non-executive Chair, Mr David Ross, to act as chair of the AGM (Chair).

Conduct of the Meeting

As the AGM is a virtual meeting, technical issues may arise. Having regard to the impact of any such technical issues on Securityholders, the Chair may, in exercising his powers as the Chair, issue any instructions for resolving the technical issue, and may continue the AGM if it is appropriate to do so.

Quorum

The quorum required at the AGM is at least two Securityholders in person (via the online platform) or by proxy. No business other than the election of the Chair (if applicable) and the adjournment of a meeting may be transacted at a meeting unless a quorum is present. If the quorum is not present within 30 minutes after the scheduled time for the meeting, the meeting will be adjourned as the Chair directs.

Required majority

Resolutions 2 through 7 are ordinary resolutions, and will be passed if more than 50% of the votes cast by Securityholders present (in person or by proxy) and eligible to vote are cast in favour of each resolution.

Voting exclusion statement

The Chair will disregard any votes cast by a person who is not entitled to vote according to the voting exclusions summarised on page 7 or section 253E of the Corporations Act.

Voting at the meeting by an individual

To vote at the meeting, you are required to attend the AGM (via the online platform) on Thursday 25 November 2021 or any adjournment of the AGM. Please log into the online platform from 30 minutes prior to the scheduled start of the AGM to facilitate the registration process.

Voting by a company

In order to vote at the AGM, a corporate Securityholder may either appoint a proxy or appoint an individual as its corporate representative to exercise its powers.

A company wishing to appoint a person to act as its representative at the AGM must provide that person with a letter executed in accordance with the company's constitution and the Corporations Act authorising them to act as the Securityholder's representative. A 'Certificate of Appointment of Representative' may be obtained from Arena REIT's registry, Boardroom Pty Limited.

All appointed corporate representatives should lodge with Arena REIT's registry, Boardroom Pty Limited, by no later than 10.00am (Melbourne time) on Tuesday 23 November 2021, evidence of their appointment, including any signed authority. Any corporate Securityholder wishing to appoint a proxy should refer to sections on 'Voting by proxy', below, and 'How to vote', overleaf.

Voting by proxy

Each Securityholder entitled to vote at the AGM has a right to appoint a proxy to attend and vote on their behalf. A proxy does not need to be a Securityholder, and you may appoint the Chair of the AGM as your proxy. A Securityholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. However, if no proportion or number is specified, then each proxy may exercise half of the Securityholder's votes. If a Securityholder returns an undirected proxy form and the Chair is appointed as their proxy, then the Chair will vote in favour of each resolution.

The proxy form, which accompanies this Notice of Annual General Meeting, includes instructions on how to vote and appoint a proxy. To be valid, Arena REIT's registry, Boardroom Pty Limited, must receive your proxy form by no later than 10.00am (Melbourne time) on Tuesday 23 November 2021.

Results

The voting results of the AGM will be released to the ASX following the AGM.



HOW TO VOTE

VOTING ENTITLEMENT

Securityholders registered as holders of Securities in Arena REIT as at 7.00pm (Melbourne time) on Tuesday 23 November 2021 will be entitled to attend and vote at the AGM (subject to any voting exclusion).

It is proposed that all resolutions will be determined by a poll.

BY PROXY

Online:

Step 1: Visit www.votingonline.com.au/arfagm2021

Step 2: Enter your Postcode or Country of Residence (if outside Australia)

Step 3: Enter your voting access code (VAC)

By mail:

Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001, Australia

By fax:

+ 61 2 9290 9655

In person:

Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000

If voting by proxy, for your vote to be effective your proxy form must be received before 10.00am (Melbourne time) on Tuesday 23 November 2021.

AT THE MEETING

Thursday 25 November 2021 9.30am (Melbourne time)

Visit: web.lumiagm.com/353210687

Enter: Meeting ID 353-210-687

Investor registration commences at 9.45 am (Melbourne time).

Live online attendance and participation

Securityholders and proxyholders can attend and participate in the AGM virtually via the online platform by entering web.lumiagm.com/353210687 and Meeting ID 353-210-687 into a web browser on a computer or online device.

Online registration

Securityholders will need to log into the online platform using their username, which is their Boardroom S number (located on the Proxy Form and any recent statement or documentation). For Australian Securityholders, the password is the postcode registered to the holding. Overseas Securityholders will need to enter their country code as their password, which is located in the Online Voting User Guide.

Proxyholders will need to contact the Registry, Boardroom Pty Limited on 1800 008 494 (within Australia) or +61 2 9290 9600 (outside Australia) to obtain login details to attend and participate live online.

Voting online

Once registered on the platform, Securityholders and Proxyholders can register to vote.

Voting during the AGM will occur as follows:

1. When the Chair declares the polls open, the resolutions and voting choices will appear.
2. Select the option corresponding with the way you wish to vote.
3. Once the option has been selected, the vote will be highlighted.
4. If you change your mind and wish to change your vote, you can simply select the new vote or cancel your vote at any time before the Chair closes the polls.

Ask a question at the meeting

Securityholders and Proxyholders will only be able to ask a question after their registration has been verified. It may not be possible to respond to all questions during the meeting.

The online platform will allow Securityholders and Proxyholders to ask questions verbally or by text at the meeting. More information about how to use the online platform is included in the Online Voting User Guide, which is available at www.arena.com.au/investor-centre/agm. Securityholders and Proxyholders are encouraged to read the guide and other information available on the website prior to the start of the meeting.

Additional information concerning the proposed resolutions is contained in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

This notice is issued by Arena REIT Management Limited (ACN 600 069 761) as the responsible entity of Arena REIT No.1 and Arena REIT No.2 and the board of Arena REIT Limited (ACN 602 365 186).

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the 2021 Notice of Annual General Meeting and contains information about the resolutions. You should read the Notice of Meeting and this Explanatory Memorandum carefully.

ORDINARY BUSINESS

Financial Reports

The Arena REIT 2021 Annual Report includes the Financial Report (which includes financial statements and the directors' declaration), the Directors' Report, and the Auditor's Report. It has been provided to those Securityholders who have elected to receive it. A copy of the Arena REIT 2021 Annual Report is also available online to download at www.arena.com.au/investor-centre/agm.

Securityholders are not required to approve the Financial Report, the Directors' Report or the Auditor's Report. During this item of business, however, Securityholders will be given a reasonable opportunity to ask questions or make comments on the reports at the meeting.

Arena REIT's external auditor, PricewaterhouseCoopers (Auditor), will be present and also available to answer questions relevant to the conduct of the audit, including the independence of the Auditor, the preparation of the Auditor's Report and accounting policies adopted in relation to the preparation of the financial statements.

Securityholders may also submit written questions to the Auditor regarding the content of the audit report or the conduct of the audit process. Relevant written questions will be discussed at the AGM. A Securityholder wishing to submit a question to the Auditor should visit www.arena.com.au/investor-centre/agm no later than 5.00pm (Melbourne time) on Friday 19 November 2021.

Schedule of voting exclusions

The Chair of the AGM will disregard any votes cast as follows:

Resolution No.	Resolution description	Who is excluded from voting in favour
1	Non-binding advisory vote on the Remuneration Report	Members of the KMP (being the directors and the other key management personnel as disclosed in the Remuneration Report) An associate of those persons
2	Re-election of Mr Dennis Wildenburg as a director of the Company	No exclusions
3, 4, 5 and 6	Grant of Deferred STI Rights and LTI Performance Rights	Mr Rob de Vos Mr Gareth Winter Any associate of Mr Gareth Winter or Mr Rob de Vos
7	Remuneration of non-executive directors	Mr David Ross Ms Rosemary Hartnett Mr Dennis Wildenburg Dr Simon Parsons Mr Rob de Vos Mr Gareth Winter Any associate of any of the above-named directors.

Note: the Chair of the AGM need not disregard a vote cast in favour of any resolutions by or on behalf of:

- ▶ a person (including the Chair of the AGM) as proxy or attorney for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- ▶ the Chair of the AGM as proxy or attorney for a person who is entitled to vote on the resolution, where the proxy form does not specify the way the proxy is to vote on that resolution but expressly authorises the Chair of the AGM to exercise the proxy, even if that resolution is connected directly with the remuneration of a member of the Key Management Personnel (KMP); or
- ▶ a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY MEMORANDUM

CONTINUED

Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the board of the Company is presenting Arena REIT's Remuneration Report for the year ended 30 June 2021 to Securityholders for consideration and adoption by a non-binding vote.

The vote on this resolution is advisory only, and does not bind the board of the Company.

The Remuneration Report is included in the Arena REIT 2021 Annual Report and commences on page 25.

The Chair will give Securityholders an opportunity to ask questions about or make comments on the Remuneration Report. Although this vote does not bind the Directors, the Board intends to take into account the outcome of the vote and any Securityholder feedback when reviewing its remuneration policies and practices.

OTHER BUSINESS

Resolution 2 – Re-election of Mr Dennis Wildenburg as a director of the Company

Mr Wildenburg was appointed as a director of the Company on incorporation on 16 October 2014 and was re-elected to that position at the Annual General Meeting held on 20 November 2018. In accordance with Listing Rule 14.4, Mr Wildenburg offers himself for re-election as a director of the Company. Listing Rule 14.4 provides that a director (excluding the managing director) must not hold office without re-election past the later of the third annual general meeting following the director's appointment or three years from their appointment date. If Resolution 2 is not approved, Mr Wildenburg will not be re-elected as a director of the Company, and the position that he currently holds as a director of the Company will be vacated. If Resolution 2 is approved, Mr Wildenburg will remain a director until he nominates for re-election, retires or is otherwise removed as a director.

Mr Wildenburg has over 35 years' experience in the financial services, funds management and property industries. His former roles include Director of MLC Funds Management Limited, member of the Lend Lease Group board that managed GPT and an Associate Director of Hill Samuel Australia Limited (now Macquarie Group Limited).

Mr Wildenburg is a member of Chartered Accountants Australia and New Zealand, a Fellow of the Australian Institute of Company Directors (FAICD) and has served on the Board of Property Funds Australia and the Investment Committee of the Mirvac PFA Diversified Property Trust.

Other current directorships: None.

Former directorships in last three years: Investa Wholesale Funds Management Limited; ICPF Holdings Limited.

The Chair of the AGM intends to vote all open proxies in favour of Resolution 2.

Resolutions 3, 4, 5, and 6 – Grant of Deferred STI Rights and LTI Performance Rights to Mr Rob de Vos and Mr Gareth Winter

Listing Rule 10.14 provides that a listed entity must not permit a director of the entity (or in the case of a trust, a director of the responsible entity) to acquire equity securities under an employee incentive scheme without the approval of Securityholders.

In accordance with Listing Rule 10.14 (in particular, 10.14.1), Arena REIT is seeking the approval of Securityholders for the grant of Deferred STI Rights and LTI Performance Rights to each of:

- ▶ Mr Rob de Vos, Managing Director; and
- ▶ Mr Gareth Winter, Chief Financial Officer and executive director.

The grant of the Deferred STI Rights and LTI Performance Rights pursuant to Arena REIT's Deferred Short Term and Long Term Incentive Plan is an important component of Arena REIT's remuneration framework which is designed to attract, retain and incentivise talent with the necessary skill and experience and align remuneration to performance and the successful delivery of Arena REIT's strategic objectives.

Deferred STI Rights

The grant of Deferred STI Rights represents the deferral for 12 months of 50% of the FY21 STI awarded to Mr de Vos and Mr Winter based on the achievement of financial and non-financial objectives. The assessment of performance against the FY21 STI objectives is set out in the Remuneration Report in Arena REIT's 2021 Annual Report.

The maximum number of Deferred STI Rights to be granted is calculated using a face value methodology, being the Deferred STI grant value divided by the volume weighted average price (VWAP) of Arena REIT Securities for the 15 trading days prior to 1 July 2021 (on an ex-distribution basis) of \$3.4422.

	Mr Rob de Vos	Mr Gareth Winter
FY21 Deferred STI award	\$158,334	\$100,938
Deferred STI Rights grant	45,998	29,324

A summary of the material terms of the proposed grant of Deferred STI Rights is set out in Annexure A.

LTI Performance Rights

LTI Performance Rights are subject to a 3 year performance period, with vesting subject to performance hurdles based on relative total shareholder return performance against Arena REIT's peers and distributable income growth targets.

The maximum number of LTI Performance Rights to be granted is calculated using a face value methodology,

EXPLANATORY MEMORANDUM

CONTINUED

being the LTI Performance Rights grant value divided by the volume weighted average price (VWAP) of Arena REIT Securities for the 15 trading days prior to 1 July 2021 (on an ex-distribution basis) of \$3.4422.

	Mr Rob de Vos	Mr Gareth Winter
FY22 Long term incentive grant value	\$550,000	\$345,313
LTI Performance Rights grant	159,782	100,318

A summary of the material terms of the proposed grant of LTI Performance Rights is set out in Annexure A.

The grant value of the Executive KMP's FY22 Long Term Incentive was included in the scope of the comprehensive independent review of Arena REIT's remuneration framework and Executive KMP remuneration completed during FY21. The objective of the independent review was to ensure Arena REIT provides market competitive rewards with incentive opportunity designed to align remuneration with performance and strategy, and to guide the behaviour and actions of Executive KMP. The most recent independent review was performed four years ago and since that time Arena has experienced significant growth in earnings, total asset value and market capitalisation.

The key remuneration decisions to be implemented in FY22, including the issue of LTI Performance Rights, reflect contemporary market practice, and have been benchmarked against a peer group of ASX listed REITs and companies to address talent retention in an increasingly competitive market and the progression of Arena REIT's strategy in a complex and challenging environment. More than 55% of Executive KMP FY22 total target remuneration is at risk and subject to short term and long term performance hurdles.

Further details of Mr de Vos' and Mr Winter's remuneration arrangements are contained in Annexure A and the Remuneration Report in Arena REIT's 2021 Annual Report.

Where approval is obtained for an issue of Securities under Listing Rule 10.14, further approval for the purposes of Listing Rule 7.1 is not required.

Details of any Securities issued under the Plan will be published in the Arena REIT annual report in respect of the period in which the Securities are issued (together with a statement that approval for the issue was obtained under Listing Rule 10.14). Any additional persons (ie other than Mr de Vos and Mr Winter) who are captured by Listing Rule 10.14 and who become entitled to participate in the issue of Securities under the Plan will not participate in the Plan until the required approval is obtained.

If Securityholder approval is not obtained in relation to any of Resolutions 3, 4, 5 or 6, in order to appropriately remunerate Mr de Vos and Mr Winter, the Board may consider providing alternative remuneration (equivalent to the value of the rights or performance rights at vesting had the resolution been approved by Securityholders). The Board would only do so to the extent that the applicable conditions or performance measures were satisfied.

The Chair of the AGM intends to vote all open proxies in favour of resolutions 3, 4, 5 and 6.

Resolution 7 – Remuneration of non-executive directors

The Company is governed by a Constitution, which includes provisions governing the remuneration of non-executive directors. Under clause 2.11(a) of the Constitution, at the time of internalisation of ARF in 2014, the aggregate amount for all payments to non-executive directors (excluding services required to be performed for the Company outside the scope of ordinary duties of a director) was capped at a maximum of \$650,000 per year. Clause 2.11(a) provides that the maximum amount may be changed by resolution approved at a general meeting. In addition, ASX Listing Rule 10.17 provides that the total aggregate amount of fees payable to a company's non-executive directors must not be increased above the cap without the approval of securityholders.

Payments to non-executive directors need to be set at a level to attract and retain suitably qualified and experienced directors having regard to appropriate benchmarks for comparable listed entities, the size and complexity of operations, responsibilities and time commitments. Since the aggregate amount for the remuneration of non-executive directors was set, Arena has experienced significant growth.

In FY21, an independent remuneration adviser was engaged to undertake a comprehensive review of Arena's remuneration framework, including benchmarking non-executive director remuneration. The outcome of the independent remuneration review and associated amendments to Arena's remuneration framework are set out in the Remuneration Report, which forms part of the Directors' Report of the Arena REIT 2021 Annual Report.

The independent remuneration review noted that:

- ▶ the total approved remuneration pool for non-executive directors set in 2014 was below the benchmark of comparable listed entities;
- ▶ current non-executive director fees were approaching the fee pool cap; and
- ▶ a fee pool of \$1,000,000 per annum would be consistent with market practice to provide capacity to allow for the orderly succession of directors, board diversity or future fee growth.

EXPLANATORY MEMORANDUM

CONTINUED

In line with the benchmarking information, it is proposed to increase the aggregate annual amount for all payments to non-executive directors from \$650,000 to \$1,000,000 per annum.

The following information is provided accordance with ASX Listing Rule 10.17 in connection with resolution 7:

- ▶ Amount of the increase: \$350,000 per annum
- ▶ Maximum aggregate amount of directors' fees that may be paid to non-executive directors: \$1,000,000 per annum
- ▶ Details of securities issued to non-executive directors under ASX Listing Rule 10.11 or 10.14 with the approval of Securityholders within the preceding three years: Nil

If resolution 7 is approved, the maximum amount of fees that may be payable to non-executive directors will increase to \$1,000,000 per annum, in line with the outcome of the independent remuneration review. If resolution 7 is not approved, the maximum amount of fees that may be payable to non-executive directors will remain at \$650,000 per annum, which, in accordance with the outcome of the independent remuneration review, may limit board succession, diversity and appropriate fee growth.

The Chair of the AGM intends to vote all open proxies in favour of resolution 7.

ANNEXURE A

SUMMARY OF DEFERRED STI RIGHTS AND LTI PERFORMANCE RIGHTS

The key features of the rights proposed to be granted to Mr de Vos and Mr Winter are summarised in the table below. This information is relevant to Resolutions 3, 4, 5, and 6 of this Notice of Meeting.

Deferred STI Rights	
Maximum number of Deferred STI Rights that may be granted	<div>Mr Rob de Vos, Managing Director 45,998 Deferred STI Rights Deferred STI Grant Value \$158,334.</div> <div>Mr Gareth Winter, CFO & executive director 29,324 Deferred STI Rights Deferred STI Grant Value \$100,938.</div>
	The maximum number of Deferred STI Rights is calculated as the Deferred STI grant value divided by the volume weighted average price (VWAP) of Arena REIT Securities for the 15 trading days prior to 1 July 2021 (on an ex-distribution basis) being \$3.4422.
Why are Deferred STI Rights being granted?	The Deferred STI Rights are being granted following an assessment by Arena REIT's Culture and Remuneration Committee (comprising the Independent Directors) of executive performance against the FY21 business plan objectives as described in the Remuneration Report contained within the Arena REIT 2021 Annual Report.
Vesting conditions	Deferred STI Rights will vest at the end of the vesting period unless the Independent Directors in their absolute discretion determine otherwise.
Vesting Period	Deferred STI Rights are subject to a 12 month vesting period ending on 1 July 2022.
Allocation of Securities	Each vested Deferred STI Right entitles the holder to one Security plus an additional number of Securities calculated on the basis of the distribution entitlement of those Securities (as announced to the ASX) over the vesting period, calculated as the number of Securities that would have been acquired if the distributions were reinvested in Securities applying the rules of the Arena REIT Dividend and Distribution Reinvestment Plan.
Change in Control	In the event of a change of control transaction or any proposed transaction that the Board in its discretion determines should be treated as a change of control, unvested Deferred STI Rights will vest at the time of the event (unless the Board determines another treatment in its discretion).
Other required information	<div>Mr de Vos and Mr Winter are the only persons referred to in Listing Rule 10.14 who are entitled and eligible to participate in the Plan at the discretion of the Board.</div> <div>Approvals were last received at the 2020 AGM for the grant of Deferred STI Rights to Mr de Vos and Mr Winter. In accordance with that approval, 68,469 Deferred STI Rights were granted to Mr de Vos and 43,649 Deferred STI Rights were granted to Mr Winter.</div>

EXPLANATORY MEMORANDUM

CONTINUED

LTI Performance Rights

Maximum number of LTI Performance Rights that may be granted	<p>Mr Rob de Vos, Managing Director 159,782 LTI Performance Rights LTI grant value \$550,000.</p> <p>Mr Gareth Winter, CFO & executive director 100,318 LTI Performance Rights LTI grant value \$345,313.</p>	
	<p>The maximum number of LTI Performance Rights is calculated as the grant value divided by the 15 day VWAP of Arena REIT Securities for the 15 days trading prior to 1 July 2021 (on an ex-distribution basis) being \$3.4422.</p> <p>The method used to allocate LTI Performance Rights has transitioned to a face value methodology with effect from FY22 to be consistent with contemporary market practice.</p> <p>The FY22 LTI grant value of Mr de Vos and Mr Winter has consequently been adjusted to ensure neither was advantaged or disadvantaged as a result of the change in allocation methodology. Further relevant information is included in the FY21 Remuneration Report contained within Arena REIT's 2021 Annual Report.</p>	
Why are LTI Performance Rights being granted?	<p>LTI Performance Rights are being granted as part of the remuneration of Mr de Vos (32.4% of total remuneration opportunity) and Mr Winter (34.2% of total remuneration opportunity).</p>	
Summary of performance conditions	Hurdle 1: Distributable Income per Security	Hurdle 2: Relative Total Shareholder Return
	Weighting: 50%	Weighting: 50%
	FY24 Distributable Income per Security	Percentile Ranking
	Hurdle 1 Component Vesting	Hurdle 2 Component Vesting
	Below 16.6 cents per security	0% Vesting
	Between 16.6 and 17.6 cents per security	Progressive pro-rata vesting between 50% vesting (at 16.6 cents per security) and 100% vesting (at 17.6 cents per security)
		Below 50th percentile
		50th percentile and above
		Progressive pro-rata vesting between 50% vesting at the 50th percentile and 100% vesting at 75th percentile
What is Relative TSR?	<p>Relative TSR performance is determined based on Arena REIT's total ASX return (assuming distributions are reinvested) ranking against a comparator group over the performance period. The comparator group are the constituents of the S&P/ASX 300 A-REIT Index as at the commencement of the performance period.</p>	
Performance Period	<p>LTI Performance Rights are subject to a 3 year performance period commencing on 1 July 2021 and ending on 30 June 2024.</p>	
Other vesting conditions	<p>The Board has discretion to adjust vesting conditions and/or performance outcomes used for assessing whether the vesting conditions have been satisfied to ensure that participants are neither advantaged nor disadvantaged by matters that may affect outcomes (for example, by excluding non-recurrent items or the impact of significant acquisitions or disposals or the timing of material capital raisings).</p>	
Allocation of Securities	<p>Each vested LTI Performance Right entitles the holder to one Security.</p>	
Change in Control	<p>In the event of a change of control transaction or any proposed transaction that the Board in its discretion determines should be treated as a change of control, a pro-rata number of unvested LTI Performance Rights vest at the time of the event, based on the performance period elapsed and the extent to which performance hurdles have been achieved at that time (unless the Board determines another treatment in its absolute discretion).</p>	
Other required information	<p>Mr de Vos and Mr Winter are the only persons referred to in Listing Rule 10.14 who are entitled and eligible to participate in the Plan at the discretion of the Board.</p> <p>Approvals were last received at the 2020 AGM for the grant of LTI Performance Rights to Mr de Vos and Mr Winter. In accordance with that approval, 194,932 LTI Performance Rights were granted to Mr de Vos and 149,123 LTI Performance Rights were granted to Mr Winter. No amount was payable on the grant of the performance rights or will be payable if the performance rights vest. As at the date of this meeting, none of the performance rights have vested.</p>	

EXPLANATORY MEMORANDUM

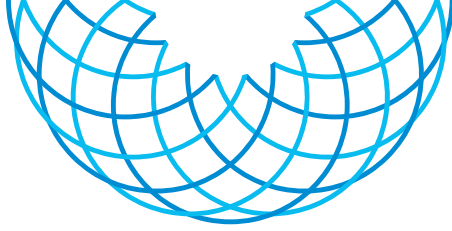
CONTINUED

Deferred STI Rights and LTI Performance Rights

Amount payable	No amount is payable on the grant or vesting.
Terms of any loan	No loans will be provided in relation to acquisition of the rights.
Issue of Securities	No rights will be granted pursuant to the Resolutions 3 - 6 more than 12 months after the date of the AGM.
Employment Termination	<p>In the event of termination of employment:</p> <ul style="list-style-type: none"> ▶ due to dismissal for cause or resignation, unvested rights lapse (unless the Board determines otherwise); and ▶ in all other circumstances, the board has discretion to determine awards which may remain on foot and may also pro-rata awards for time and performance. <p>The Board may cause a right to lapse in full and also allow accelerated vesting in special circumstances (subject to termination benefit cap rules).</p>

The following information is provided to Securityholders pursuant to Listing Rule 10.15:

	Mr Rob de Vos	Mr Gareth Winter
FY22 Fixed Remuneration	\$700,000	\$442,000
FY22 Short Term Incentive opportunity	\$450,000	\$221,000
FY22 Long Term Incentive grant value	\$550,000	\$345,313
Number of Securities that have previously been issued under the Plan	155,480 Deferred STI Rights 905,662 LTI Performance Rights	113,889 Deferred STI Rights 839,134 LTI Performance Rights
Average acquisition price for Securities that have previously been issued under the Plan	No amount is payable	No amount is payable



GLOSSARY

ACN: Australian Company Number

AFSL: Australian Financial Services Licence

Arena REIT: The stapled group comprising the Company and the Trusts

Arena REIT No.1: Arena REIT No.1 (ARSN 106 891 641)

Arena REIT No.2: Arena REIT No.2 (ARSN 101 067 878)

ARSN: Australian Registered Scheme Number

Associate: has the meaning given to it in the Listing Rules

ASX: ASX Limited (ACN 008 624 691) or the market operated by it (the Australian Securities Exchange), as the context requires

Company: Arena REIT Limited (ACN 602 365 186)

Constitutions: the constitution of the Company and the constitution of each Trust

Deferred STI Right: right to be issued a Security as a short term incentive in accordance with the Arena REIT Deferred Short Term and Long Term Incentive Plan

Independent Director: An Independent Director of Arena REIT Limited or Arena REIT Management Limited (as the context requires), namely: David Ross, Rosemary Hartnett, Simon Parsons and Dennis Wildenburg

Listing Rules: ASX Listing Rules

LTI Performance Right: right to be issued a Security as a long term incentive in accordance with the Arena REIT Deferred Short Term and Long Term Incentive Plan

Plan: Arena REIT Deferred Short Term and Long Term Incentive Plan

Responsible Entity: Arena REIT Management Limited (ACN 600 069 761) (AFSL 465754)

Security or Securities: Stapled securities in Arena REIT

Securityholder: A person who holds Securities

Trust: Each of Arena REIT No.1 and Arena REIT No.2 (collectively, Trusts)



CORPORATE DIRECTORY

Arena REIT Limited
ACN 602 365 186

Arena REIT Management Limited (ARML)
ACN 600 069 761 AFSL 465754

PRINCIPAL PLACE OF BUSINESS

Level 32, 8 Exhibition Street
Melbourne VIC 3000

Phone: +61 3 9093 9000

Email: info@arena.com.au

Website: www.arena.com.au

DIRECTORS

David Ross (Independent, Non-Executive Chair)
Rosemary Hartnett (Independent, Non-Executive Director)
Simon Parsons (Independent, Non-Executive Director)
Dennis Wildenburg (Independent, Non-Executive Director)
Rob de Vos (Managing Director)
Gareth Winter (Executive Director of ARML)

COMPANY SECRETARY

Gareth Winter

AUDITOR

PricewaterhouseCoopers
2 Riverside Quay
Southbank VIC 3006

REGISTRY

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2001
Telephone: 1300 737 760

INVESTOR ENQUIRIES AND CORRESPONDENCE

Arena REIT
Locked Bag 32002
Collins Street East
Melbourne VIC 8003
Telephone: 1800 008 494
Website: www.arena.com.au
Email: info@arena.com.au

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (Melbourne Time) on Tuesday, 23 November 2021.**

TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/arfagm2021>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Melbourne Time) on Tuesday, 23 November 2021.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/arfagm2021>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

☐
Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a securityholder/s of **Arena REIT** and entitled to attend and vote hereby appoint:

☐

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 of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held **virtually on Thursday, 25 November 2021 at 10:00am (Melbourne Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 3, 4, 5, 6 or 7. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 3, 4, 5, 6 or 7 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 3, 4, 5, 6 or 7). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Non-binding advisory vote on the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Dennis Wildenburg as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Grant of Deferred STI Rights to Mr Rob de Vos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of LTI Performance Rights to Mr Rob de Vos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Deferred STI Rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of LTI Performance Rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Remuneration of non-executive directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021