

Notice of Annual General Meeting 2022

Thursday, 12 May 2022, 10:00am (AEST)
Dexus Place Auditorium, Governor Macquarie Tower
Level 15, 1 Farrer Place, Sydney NSW 2000
Virtual meeting link at <https://meetings.linkgroup.com/WPR2022>



Chair's Letter



Dear Securityholders,

I am pleased to invite you to attend the 2022 Annual General Meeting of Waypoint REIT Limited ABN 35 612 986 517 (**Company**) and the General Meeting of Unitholders in Waypoint REIT Trust ARSN 613 146 464 (**Trust**), which will be held concurrently (together, 'the **AGM**' or 'the **Meeting**').

The AGM will be held at Dexus Place Auditorium, Governor Macquarie Tower, Level 15, 1 Farrer Place, Sydney NSW 2000, on Thursday, 12 May 2022 at 10:00am (AEST).

The meeting will also be held virtually at <https://meetings.linkgroup.com/WPR2022>

Please find enclosed the Notice of Meeting, Voting Notes and Explanatory Notes outlining the formal business of the AGM and a personalised voting and proxy form. Please read the 'Virtual Meeting Online Guide' available on Waypoint REIT's website at www.waypointreit.com.au/investors before the Meeting to ensure your browser is compatible with the online portal.

Waypoint REIT's 2021 Annual Report, including the Annual Financial Report published on 28 February 2022, is now available on the Waypoint REIT website and we encourage you to review it ahead of the AGM (www.waypointreit.com.au/investors).

If you have elected to receive a copy of the 2021 Annual Report, a copy will be sent to you by post or electronically. The formal part of the Meeting comprises the following:

1. Consideration of the 2021 Annual Financial Report.
2. The adoption of the 2021 Remuneration Report.
3. The re-election of Laurence Brindle as a Director.
4. The election of Susan MacDonald as a Director.
5. The grant of performance rights to the Managing Director and CEO, Hadyn Stephens.
6. The amendment of the Constitution of Waypoint REIT Limited to approve proportional takeover provisions.
7. The amendment of the Constitution of the Trust to approve proportional takeover provisions.

Voting results of the 2022 AGM will be announced to the ASX following the AGM.

Yours sincerely

Laurence Brindle
Independent Non-Executive Chair

Agenda Items

Notice is given that the 2022 Annual General Meeting of shareholders of Waypoint REIT Limited (**Company**) will be held in conjunction with a General Meeting of Unitholders of Waypoint REIT Trust (**Trust**) (together, **Waypoint REIT**) at Dexus Place Auditorium, Governor Macquarie Tower, Level 15, 1 Farrer Place, Sydney NSW 2000 on Thursday, 12 May 2022 at 10:00am (AEST) ('the **AGM**' or 'the **Meeting**'). Securityholders can view and participate in the Meeting via the online portal at <https://meetings.linkgroup.com/WPR2022>. Further information on how to participate virtually is set out in this notice and in the 'Virtual Meeting Online Guide' available online at: www.waypointreit.com.au/investors.

For any enquiries relating to virtual participation, please contact Waypoint REIT's share registry on 1800 990 363.

Agenda items

1. Financial Report

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 31 December 2021.

Note: that no vote is required on this item.

2. Remuneration Report

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

'That the Remuneration Report for the year ended 31 December 2021 be adopted.'

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion statement applies to this resolution (see section 3 of the notes relating to voting).

3. Re-election of Director Laurence Brindle

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

'That Laurence Brindle, being eligible, be re-elected as a Director of the Company.'

4. Election of Director Susan MacDonald

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

'That Susan MacDonald, being eligible, be elected as a Director of the Company.'

5. Grant of performance rights to the Managing Director and CEO Hadyn Stephens

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

'That approval be given for the grant of performance rights to the Managing Director and CEO, Hadyn Stephens, as his annual long-term incentive grant for the year ended 31 December 2022 on the terms described in the Explanatory Memorandum to this Notice of Meeting.'

Note: A voting exclusion statement applies to this resolution (see section 3 of the notes relating to voting).

6. Amendments to the Company Constitution

To consider and, if thought fit, pass the following resolution as a **special** resolution of the Company:

'That the Constitution of the Company be amended to re-insert the proportional takeover approval provisions in rule 16 of the document tabled at the 2022 Annual General Meeting signed by the Chair for identification purposes, and as described in the Explanatory Memorandum, for a period of three years commencing from the close of the 2022 Annual General Meeting.'

7. Amendments to the Trust Constitution

To consider and, if thought fit, pass the following resolution as a **special** resolution of the Trust:

'That the Constitution of the Trust be amended to re-insert the proportional takeover approval provisions in clause 17 of the document tabled at the 2022 Annual General Meeting signed by the Chair for identification purposes, and as described in the Explanatory Memorandum, for a period of three years commencing from the close of the 2022 Annual General Meeting.'

Note: A voting exclusion statement applies to this resolution (see section 3 of the notes relating to voting).

The notes relating to voting and the Explanatory Memorandum form part of this Notice of Meeting.

By Order of the Board



Tina Mitas
Company Secretary
8 April 2022

Notes Relating to Voting

1. Stapled securityholder meetings

At present, the shares in the Company and the units in the Trust are stapled together under the Company's Constitution and the Trust's Constitution to form stapled securities. This means that all shareholders of the Company are also unitholders of the Trust and, as such, the meetings of the Company and the Trust are held concurrently.

2. Entitlement to vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of securities in Waypoint REIT as at 7:00pm (AEST) on Tuesday, 10 May 2022 will be entitled to attend and vote at the Meeting as a securityholder.

Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

VER Limited, as responsible entity of the Trust (**VER**), and its associates are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a member of the Trust in accordance with section 253E of the Corporations Act.

If more than one joint holder of securities is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

On a poll:

- in the case of a resolution of the Company, each shareholder has one vote for each share held in the Company; and
- in the case of a resolution of the Trust, each unitholder has one vote for each \$1.00 of the value of the units held in the Trust.

3. Voting exclusions

3.1 Item 2

Waypoint REIT will disregard any votes cast on item 2:

- by or on behalf of a member of the key management personnel (**KMP**) named in the Remuneration Report for the year ended 31 December 2021 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on item 2:

- in accordance with a direction in the proxy form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though item 2 is connected with the remuneration of the KMP.

3.2 Item 5

Waypoint REIT will disregard any votes cast on item 5:

- in favour of the resolution, by or on behalf of Hadyn Stephens and any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP at the date of the meeting or their closely related parties,

unless the vote is cast on item 5:

- as proxy or attorney for a person entitled to vote on item 5 in accordance with a direction given to the proxy or attorney to vote on the Item in that way; or
- as proxy for a person entitled to vote on item 5 by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy as the Chair decides; or
- by 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 item 5; and
 - the holder votes on item 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

3.3 Item 7

In accordance with section 253E of the Corporations Act, Waypoint REIT will disregard any votes cast on the resolution in item 7 by VER and its associates, unless the vote is cast as proxy for a person entitled to vote on the resolution in item 7 in accordance with the direction on the proxy form.

4. Proxies

- (a) A securityholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the securityholder. A proxy need not be a securityholder and can be either an individual or a body corporate.
- (b) A securityholder can appoint a proxy by completing and returning a signed proxy form (see section 5 of these notes relating to voting, and the proxy form). If the appointment is signed by an attorney, the power of attorney (or a certified copy) must be received by the share registry in the manner specified by the proxy form below.
- (c) A securityholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the securityholder's votes.
- (d) If a securityholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
 - provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.
- (e) If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.
- (f) Unless the Chair of the Meeting is your proxy, members of the KMP (which includes each of the Directors) will not be able to vote as proxy on items 2 and 5, unless you direct them how to vote. If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, you should ensure that you direct that person how to vote on items 2 and 5.
- (g) A securityholder may appoint the Chair of the Meeting as proxy. In addition, the Chair of the Meeting is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.
- (h) If you intend to appoint the Chair of the Meeting as your proxy, you can direct the Chair how to vote by marking the boxes for the relevant resolution (for example, if you wish to vote "for", "against" or to "abstain" from voting). However, if you appoint the Chair as your proxy, or the Chair is taken to be appointed your proxy, and you do not mark a box next to items 2 or 5, then by completing and returning the proxy form, you will be expressly authorising the Chair to vote as they see fit in respect of items 2 and 5 even though they are connected with the remuneration of the KMP.

- (i) If:
- a poll is duly demanded at the Meeting in relation to a proposed resolution; and
 - a securityholder has appointed a proxy (other than the Chair of the Meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
 - that securityholder's proxy is either not recorded as attending the Meeting or does not vote on the resolution, the Chair of the Meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the securityholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that securityholder.
- (j) Please note that for proxies without voting instructions that are exercisable by the Chair of the Meeting, the Chair intends to vote all available proxies in favour of each resolution.

5. Proxy form

Proxy forms must be received by the share registry no later than 10:00am (AEST) on Tuesday, 10 May 2022.

A proxy form can be submitted:

Online:
www.linkmarketservices.com.au

By mail:
Waypoint REIT
C/- Link Market Services Limited Locked Bag A14
Sydney South NSW 1235 Australia

Facsimile:
+61 2 9287 0309

By personal delivery:
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Notes Relating to Voting

6. Corporate representatives

A body corporate that 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 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it has been signed, unless it has previously been given to Waypoint REIT or the share registry.

7. Attorney

A securityholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the Meeting. An attorney may but need not be a member of Waypoint REIT.

An attorney may not vote at the Meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the share registry in the same manner, and by the same time, as outlined above for proxy forms.

8. Asking questions

Before the AGM

Securityholders may submit written questions in advance of the Meeting relating to the business of the Meeting, including questions for the auditor, PricewaterhouseCoopers. Questions for the auditor must relate to the content of the Auditor's Report or the conduct of the audit of the Financial Report. Questions submitted in advance of the Meeting should be received by the share registry no later than 5:00pm (AEST) on Thursday, 5 May 2022.

Please submit any written questions:

Online:

www.linkmarketservices.com.au

via your Investor Login.

By mail:

Waypoint REIT
C/- Link Market Services Limited Locked Bag A14
Sydney South NSW 1235 Australia

Facsimile:

+61 2 9287 0309

By personal delivery:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

During the AGM

Securityholders as a whole will have a reasonable opportunity to ask questions via the online platform at <https://meetings.linkgroup.com/WPR2022> and by telephone +61 2 9189 8866. More detailed information on how to ask questions during the meeting is provided in the 'Virtual Meeting Online Guide' available online at www.waypointreit.com.au/investors.

The Chair will endeavour to address the key themes raised during the Meeting. Please note that individual responses will not be sent to securityholders.

9. Registration

Registration will commence at 9:30am (AEST) on Thursday, 12 May 2022. For ease of registration, please bring your proxy form to the Meeting.

10. COVID-19 and the Meeting

In the context of the coronavirus (COVID-19) pandemic, securityholders who wish to attend the Meeting should take heed of government warnings and recommendations and monitor Waypoint REIT's website and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Meeting.

11. Online Portal

The Meeting will be webcast live on the website, <https://meetings.linkgroup.com/WPR2022>, and will be archived for later viewing.

Please read the 'Virtual Meeting Online Guide' available on Waypoint REIT's website at www.waypointreit.com.au/investors before the Meeting to ensure your browser is compatible with the online portal.

Explanatory Memorandum

This Explanatory Memorandum has been prepared to help securityholders understand the items of business at the forthcoming Meeting.

1. Financial Report

The Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2021 will be put before the Meeting. Each of these reports is contained in the 2021 Annual Report, which is available online at www.waypointreit.com.au/investors.

No vote is required on this item of business. However, securityholders will be given a reasonable opportunity to ask questions about, or make comments on, the Financial Report and Directors' Report of Waypoint REIT.

Similarly, a reasonable opportunity will be given to securityholders as a whole to ask Waypoint REIT's auditor, PricewaterhouseCoopers, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by Waypoint REIT in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

2. Remuneration Report

Securityholders will have a reasonable opportunity at the Meeting to ask questions about, or make comments on, the Remuneration Report. The Remuneration Report is set out on pages 25 to 39 of the 2021 Annual Report and is available on the website at www.waypointreit.com.au/investors.

The Remuneration Report describes Waypoint REIT's remuneration policy and the remuneration arrangements in place for the KMP, including the Non-Executive Directors, during the year ended 31 December 2021.

The vote on this item is advisory only and does not bind the Directors or the Company. Nevertheless, the discussion on this resolution and the outcome of the vote will be taken into consideration by the Board and the Remuneration Committee when considering future remuneration arrangements.

Recommendation

The Board unanimously recommends that securityholders vote in favour of the adoption of the Remuneration Report.

3. Re-election of Director Laurence Brindle



Rule 8.1(f) of the Company's Constitution specifies that an election of Directors must take place each year and at that meeting one-third of the Directors (rounded down to the nearest whole number, and excluding the Managing Director (if applicable) and any Director not yet elected) must retire from office as Directors.

In addition, no Director may hold office without re-election for three or more years or beyond the third AGM following the meeting at which the Director was last elected to office. Accordingly, Laurence Brindle who was last re-elected by securityholders in 2019 will retire from office at the conclusion of the Meeting and, being eligible, offers himself for re-election at the Meeting.

The Board considers that Laurence Brindle is an independent Non-Executive Director.

Independent Non-Executive Director

Laurence has been a Non-Executive Director since 10 July 2016 and is the Chair of the Board, and a Member of the Audit and Risk Management, Nomination and Remuneration Committees.

Laurence has extensive experience in funds management, finance and investment and is currently independent Non-Executive Chair of National Storage REIT and a Non-Executive Director of Stockland Property Group.

Until 2009, Laurence was an executive with Queensland Investment Corporation (QIC). During his 21 years with QIC, he served in various senior positions including Head of Global Real Estate, where he was responsible for QIC's large global investment portfolio. Laurence was also a long-term member of QIC's Investment Strategy Committee.

Laurence provides advice to a number of investment institutions on real estate investment and funds management matters. He is a former Chair of the Shopping Centre Council of Australia, and a former Director of Westfield Retail Trust and Scentre Group.

Laurence holds a Bachelor of Engineering (Honours) and a Bachelor of Commerce from the University of Queensland, and a Masters of Business Administration from Cass Business School, London, where he graduated with distinction.

The Board has reviewed the performance of Laurence and believes that he continues to provide a valuable contribution to the Board, including his extensive experience in real estate and funds management.

Recommendation

For the reasons set out above, the Board (with Laurence Brindle abstaining) unanimously recommends that securityholders vote in favour of the re-election of Laurence Brindle as a Director.

Explanatory Memorandum continued

4. Election of Director Susan MacDonald



Rule 8.1(e) of the Company's Constitution specifies that a Director who is appointed by the Board to be a director, must retire from office at the next annual general meeting. Under rule 8.1(i), a Director who retires under rule 8.1(e) is eligible for re-election and may be re-elected by shareholders.

Susan MacDonald was appointed as a Director on 1 May 2022 and is required to retire in accordance with rule 8.1(e). Susan MacDonald, being eligible, offers herself for election at the Meeting.

Susan has over 30 years of domestic and international experience in property investment management, primarily in the retail sector, including asset, development, and funds management. Susan has extensive knowledge in people management, organisational culture, strategy development and stakeholder engagement.

Susan has held executive positions with Mirvac, Lend Lease, AMP Capital, and Galileo Funds Management, and is a former Joint Deputy Chair, Shopping Centre Council of Australia. Susan holds a Bachelor of Arts (UNSW), is a Graduate of the Australian Institute of Company Directors (GAICD), and a current Global Trustee of Urban Land Institute (ULI).

Susan is currently a Non-Executive Director and Member of the Risk Committee of Queensland Investment Corporation (QIC), an Independent Non-Executive Director and Chair of the Remuneration Committee of Cbus Property, a Non-Executive Director and Member of the Audit and Risk Committee, Landcom and a Strategic Advisor to the Board of Mainbrace Constructions.

Appropriate background checks have been completed. The Board believes that Susan brings valuable knowledge, skills and experience to the Board through her experience in the property industry and accordingly, the Board supports the election of Susan MacDonald.

The Board has determined that Susan MacDonald is an independent Non-Executive Director.

Recommendation

For the reasons set out above, the Board unanimously recommends that securityholders vote in favour of the election of Susan MacDonald as a Director.

5. Grant of performance rights to the Managing Director and CEO Hadyn Stephens



It is proposed that Mr Hadyn Stephens, Managing Director and CEO, be awarded performance rights to Waypoint REIT stapled securities under the Waypoint REIT Equity Incentive Plan (**Plan**). ASX Listing Rule 10.14 requires an entity to obtain securityholder approval for the issue of new securities to a Director under an employee incentive scheme. Mr Stephens is the Managing Director and CEO of Waypoint REIT.

Waypoint REIT is seeking securityholder approval for the grant of 137,850 performance rights to Mr Hadyn Stephens, Managing Director and CEO, as his long-term incentive (**LTI**) for the financial year ended 31 December 2022 (**FY22**), as well as for the issue of any securities on vesting of the performance rights.

Subject to securityholder approval, the performance rights will be granted shortly after the Meeting and, in any event, no later than 12 months from the date of the Meeting. If securityholder approval is not provided, the Board intends to provide Mr Stephens with an LTI in the form of cash, subject to the terms outlined below.

(a) Key terms of the FY22 LTI

The LTI is designed to align the interests of the Managing Director and CEO with the interests of securityholders by providing him with the opportunity to receive an equity interest in Waypoint REIT through the granting of performance rights. Waypoint REIT uses performance rights because they create security price alignment between Mr Stephens and securityholders, but do not provide the executive with the full benefits of security ownership (such as distribution and voting rights) unless and until the performance rights vest.

It is proposed that Mr Stephens be granted 137,850 performance rights, which has been determined by dividing the dollar value of Mr Stephens' maximum LTI opportunity (being AU\$375,833, which is approximately 66.7% of Mr Stephens' maximum short-term incentive as at the date of this Notice, the first day of the performance period) by the weighted average traded price of Waypoint REIT's stapled securities traded on the ASX during the 10 business days following the release of the FY21 annual results (being AU\$2.7264 per security), rounded up to the nearest whole number of performance rights.

Each performance right entitles Mr Stephens to one ordinary security in Waypoint REIT on vesting. The Board retains a discretion to make a cash equivalent payment in lieu of an allocation of securities.

As the performance rights will form part of Mr Stephens' remuneration, they will be granted at no cost and there will be no amount payable on vesting. Waypoint REIT may issue new securities or acquire securities on market to satisfy performance rights which vest under the Plan.

Prior to vesting, performance rights do not entitle Mr Stephens to any distributions or voting rights. Securities allocated on vesting of performance rights carry the same distribution and voting rights as other securities issued by Waypoint REIT.

(b) Vesting conditions

The performance period will run from 1 January 2022 to 31 December 2024 (**Vesting Period**).

Vesting of the performance rights will be subject to the achievement of two vesting conditions:

- 50% of the performance rights will be tested against a relative Total Securityholder Return (**TSR**) condition; and
- the remaining 50% of the performance rights will be tested against an average growth in distributable earnings per security (**EPS**) condition.

(1) TSR condition

The TSR condition measures Waypoint REIT's performance relative to a peer group over the Vesting Period. TSR measures the growth in Waypoint REIT's security price together with the value of distributions paid during the period, assuming that all those distributions are re-invested into new securities.

For the FY22 LTI, TSR performance will be assessed against a comparator group of companies comprising the constituents of the S&P/ASX 300 A-REIT index as at 1 January 2022. The Board has discretion to adjust the comparator group, including to take into account acquisitions, mergers or other relevant corporate action or delisting.

(2) EPS condition

The EPS condition measures the average growth per annum in distributable earnings that is attributable to each security on issue.

Distributable earnings per security is calculated as net profit, adjusted where the Board considers it appropriate for non-recurring and significant items, divided by the weighted average securities on issue each relevant financial year.

Explanatory Memorandum continued

(c) Testing of the vesting conditions and vesting

The vesting conditions will be tested after the end of the Vesting Period and the release of Waypoint REIT's FY24 full year financial results. While the number of performance rights that vest will primarily be determined by testing against the vesting conditions, the Board retains an overriding discretion to reduce or increase the vesting outcome where it considers it appropriate in light of Waypoint REIT's performance overall and any other relevant circumstances.

No retesting of the vesting conditions is permitted.

(1) TSR condition (50% weighting)

The percentage of performance rights subject to the TSR condition that vest, if any, will be based on Waypoint REIT's TSR ranking over the Vesting Period, as set out in the following vesting schedule:

Percentile ranking	Vesting level of performance rights subject to the TSR condition
Equal to the 75th percentile or higher	100%
Between the 50th and 75th percentile	Straight-line pro-rata vesting between 50% and 100%
Equal to the 50th percentile	50%
Below the 50th percentile	0%

(2) EPS condition (50% weighting)

The percentage of performance rights subject to the EPS condition that vest, if any, will be based on the average growth per annum in distributable EPS for the Vesting Period, as set out in the following vesting schedule:

Average annual growth in distributable EPS	Vesting level of performance rights subject to the EPS condition
Equal to 4.5% or higher	100%
Between 3.75% and 4.5%	Straight-line pro-rata vesting between 50% and 100%
At 3.75%	50%
Less than 3.75%	0%

The LTI's performance hurdles should not be interpreted as guidance on its future performance.

(d) Other terms of the FY22 LTI performance rights

(1) Cessation of employment

Where Mr Stephens' employment with Waypoint REIT is terminated for cause or ceases due to resignation, all unvested performance rights will lapse, unless the Board determines otherwise.

In all other circumstances (including due to genuine retirement, redundancy, death, permanent disability, or ill health, the expiry of a fixed term contract or separation by mutual agreement), a pro rata portion of unvested performance rights (based on the portion of the Vesting Period that has elapsed) will remain on foot and be subject to the original terms of offer (including the remaining vesting conditions), which will be tested in the ordinary course as if Mr Stephens had not ceased employment, unless the Board determines otherwise.

Pursuant to the Plan Rules and offer terms, the Board retains discretion to vest, leave on foot or lapse some or all performance rights in all circumstances.

(2) Change of control

Where there is a change of control event (including a takeover bid or any other transaction, event or state of affairs that, in the Board's opinion, is likely to result in a change in the control of Waypoint REIT), the Board may determine the manner in which all unvested performance rights will be dealt with.

Where only some of the performance rights vest, the remainder will immediately lapse, unless the Board determines otherwise. In determining whether to exercise its discretion, the Board may have regard to any circumstances it considers appropriate.

Where an actual change in the control of the Company occurs before the Board has exercised its discretion, all unvested performance rights will vest on a pro rata basis having regard to the Vesting Period that has elapsed and the remaining performance rights will lapse.

(3) Clawback

The Board has broad 'clawback' powers to determine that performance rights lapse, any securities allocated on vesting of performance rights are forfeited or clawed back, or that amounts are to be repaid, in certain circumstances (for example, in the case of fraud or gross misconduct, proceeds of any sale of securities or the value of distributions provided for vested securities might be repaid as a debt to Waypoint REIT).

(4) Restrictions on dealing

Mr Stephens must not sell, transfer, encumber, hedge or otherwise deal with performance rights, unless the dealing is required by law. Mr Stephens will be free to deal with the securities allocated on vesting of the performance rights, subject to the requirements of Waypoint REIT's Securities Trading Policy.

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

(e) Additional information

Mr Stephen's current total remuneration package comprises \$563,750 as total fixed compensation (inclusive of superannuation)(**TFC**), a STI opportunity up to a maximum of \$563,750 (being 100% of TFC) and a LTI opportunity up to a maximum of \$375,833 (being approximately 66.7% of TFC). Securityholders are referred to the 2021 Remuneration Report for full details of Mr Stephens' 2021 remuneration arrangements.

The ASX Listing Rules require this Notice of Meeting to state the number and average price of securities received by Mr Stephen's under the Plan. 77,115 performance rights have been issued to Mr Stephen's under the Plan (at no cost) in respect of prior year LTI.

No loan will be made by Waypoint REIT in relation to the acquisition of performance rights or allocation to Mr Stephens of any securities on vesting of those performance rights.

Details of any performance rights issued under the Plan will be published in Waypoint REIT's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of performance rights under the Plan after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

Recommendation

The Board (with Hadyn Stephens abstaining) unanimously recommends that securityholders vote in favour of the grant of performance rights to the Managing Director and CEO.

Explanatory Memorandum continued

6. Approval of proportional takeover provisions in the Company Constitution

The Corporations Act permits a company to include provisions in its constitution which prohibit the registration of a transfer of securities resulting from a proportional takeover bid, unless the relevant holders in a general meeting approve the bid (proportional takeover provisions).

Proportional takeover provisions were included in the Constitution of the Company that was adopted, prior to listing on the ASX, on 14 June 2016. Under the Corporations Act and the Constitution, these provisions apply for a maximum period of three years, unless renewed earlier. These provisions expired on 14 June 2019. It is therefore proposed that rule 16 in the existing Company Constitution be re-inserted in the Company's Constitution. A copy of the existing Constitution of the Company is available at <https://waypointreit.com.au/investors/?page=corporate-governance>.

If approved by securityholders at the AGM, the re-inserted rule 16 will operate for three years from the date of the AGM (i.e. until 12 May 2025), unless renewed earlier.

The Board considers that it is in the best interests of securityholders to re-insert these provisions.

The Corporations Act requires the following information to be provided to securityholders in respect of the inclusion of proportional takeover provisions in the Constitution.

What is a proportional takeover bid?

A proportional takeover bid is one where an offer is made to each securityholder for a proportion of that securityholder's securities, and not for the securityholder's entire holding. The specified proportion must be the same in the case of all securityholders. The Corporations Act allows a company to provide in its constitution that if a proportional takeover bid is made securityholders must vote on whether to accept or reject the proportional takeover bid and that decision will be binding on all securityholders. This provision allows securityholders to decide collectively whether a proportional takeover bid is acceptable in principle.

The effect of the proportional takeover provisions

The effect of the proposed proportional takeover provisions is that if a proportional takeover bid is made for the Company, it must refuse to register a transfer of Waypoint REIT securities giving effect to any acceptance of the bid unless the takeover bid is approved by securityholders in general meeting.

In the event of a proportional takeover bid being made, the Directors must hold a meeting of the securityholders entitled to vote for the purpose of considering and, if thought fit, passing a resolution to approve the proportional takeover bid. A resolution approving the bid must be passed before the 14th day before the last day of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote, except that the bidder and its associates are not allowed to vote. If no resolution is voted on at least 14 days before the last day of the takeover bid period, the resolution will be deemed to have been approved.

This effectively means that securityholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid. If the resolution is rejected, transfers which would have resulted from the acceptance of a bid are prohibited and the bid is deemed to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers will be registered if they comply with the Corporations Act and the Company's Constitution. The Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. The proportional takeover provisions do not apply to full takeover bids and only apply for three years after approval – in this case until 12 May 2025. The provisions may be renewed or re-inserted, but only by a special resolution.

Reasons for proposing the resolutions

A proportional takeover bid may enable control of the Company to pass without securityholders having the opportunity to sell all of their securities to the bidder. Securityholders may therefore be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their securities. The proportional takeover provisions decrease this risk because they allow securityholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

Review of proportional takeover provisions

While proportional takeover provisions have been in effect under the Company's Constitution, no takeover bids for the Company have been made, either proportional or otherwise. Accordingly, there are no actual examples against which to assess the advantages or disadvantages of the existing proportional takeover provisions (that is, rule 16 of the existing Constitution) for the Directors and securityholders of the Company. The Directors are not aware of any potential takeover bid that was discouraged by rule 16 of the existing Constitution.

Potential advantages and disadvantages

The Directors of the Company consider that the proposed inclusion of the proportional takeover provisions has no potential advantages or disadvantages for Directors. They remain free to make a recommendation on whether a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for securityholders of the Company are:

- securityholders have the right to decide by majority vote whether a proportional takeover bid should proceed;
- the provisions may assist securityholders to avoid being locked in as a minority;
- the bargaining power of securityholders is increased and this may assist in ensuring that any proportional bid is adequately priced; and
- knowing the view of the majority of securityholders assists each individual securityholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

The potential disadvantages for securityholders of the Company include:

- proportional takeover bids for securities in the Company may be discouraged;
- securityholders may lose an opportunity of selling some of their securities at a premium;
- the chance of a proportional takeover bid being successful may be reduced; and
- the proportional takeover provisions may be considered to constitute an unwarranted restriction on the ability of securityholders to deal freely with their securities in the Company.

The Directors consider that the potential advantages for securityholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, securityholders as a whole are able to decide whether or not a proportional takeover bid is successful.

No knowledge of any acquisition proposals

At the date of this Notice of Meeting, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

This resolution must be approved by special resolution passed by at least 75% of the votes cast by or on behalf of securityholders entitled to vote on the resolution.

Recommendation

The Board unanimously recommends that securityholders vote in favour of this resolution.

Explanatory Memorandum continued

7. Approval of proportional takeover provisions in the Trust Constitution

The Corporations Act permits a listed trust to include in its constitution provisions prohibiting the registration of a transfer of securities resulting from a proportional takeover bid, unless the relevant holders in a general meeting approve the bid. Under the Corporations Act and the Trust's Constitution, these provisions apply for a maximum period of three years, unless earlier renewed.

Proportional takeover provisions were included in the Constitution of the Trust adopted on 14 June 2016 and expired on 14 June 2019.

It is therefore proposed that clause 17 in the existing Trust Constitution be re-inserted in the Trust's Constitution. A copy of the existing Constitution of the Trust is available at <https://waypointreit.com.au/investors/?page=corporate-governance>.

If this special resolution is approved and a takeover bid is subsequently made for some but not all of each securityholder's securities, the proportional takeover provisions will enable securityholders as a whole to vote on whether the proportional bid should be allowed to proceed, independently from their individual decisions whether or not to accept the bid. The provisions will operate for three years from the date of the Meeting (i.e. until 12 May 2025), unless renewed earlier.

The Corporations Act requires the following information to be provided to securityholders when they are considering the inclusion of proportional takeover provisions in the Trust's Constitution.

Effect, reasons, and advantages and disadvantages

As the units and shares are stapled and it is proposed that proportional takeover provisions be inserted in the Constitution of the Company under item 7, the Board considers it appropriate to re-insert equivalent provisions in the Trust's Constitution.

In addition, the effect, reasons, and advantages and disadvantages that apply in respect of the inclusion of partial takeover provisions in the Company's Constitution as set out in item 6 of the Explanatory Memorandum apply equally in respect of the inclusion of the partial takeover provisions in the Trust's Constitution, except that a reference to:

- the Company is taken to be a reference to the Trust; and
- securities are taken to be a reference to Units.

As at the date of this Notice of Meeting, the Board is not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Trust.

This resolution must be approved by special resolution passed by at least 75% of the votes cast by or on behalf of securityholders entitled to vote on the resolution.

Recommendation

The Board unanimously recommends that securityholders vote in favour of this resolution.



