



Date of Meeting:
15 November 2017

Time of meeting:
10.00am (AEDT)

Investor registration:
From 9.40am (AEDT)

Venue:
Australia Room 2,
Novotel Melbourne on Collins,
270 Collins Street,
Melbourne, VIC 3000

2017 Annual Report

Investors are encouraged to read the 2017 Annual Report prior to the AGM. Please visit www.arena.com.au to download your copy.

Arena REIT

Notice of Annual General Meeting & Explanatory Memorandum 2017



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How to vote

To vote, eligible Securityholders should either:

- 1. Attend the Meeting** on 15 November 2017 and vote in person.
- 2. Vote online:** www.votingonline.com.au/ARFAGM2017 prior to 10.00am (AEDT) 13 November 2017.
- 3. Lodge a proxy form** by mail, fax or in person to Boardroom and ensure it is received by 10.00am (AEDT) 13 November 2017.

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

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 9.00am and 5.00pm (AEDT) Monday to Friday.

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



Chairman's introduction

Dear Investor

I am pleased to invite you to attend the annual general meeting of shareholders in Arena REIT Limited (the Company) and the general meetings of unitholders in Arena REIT No. 1 and Arena REIT No. 2 (together, the Trusts), which together constitute Arena REIT's 2017 Annual General Meeting (AGM) of Securityholders.

The AGM will be held in the Australia Room 2 at Novotel Melbourne on Collins, 270 Collins Street, Melbourne on Wednesday 15 November 2017 at 10.00am (AEDT). Enclosed are the Notice of Meeting, the accompanying Explanatory Memorandum explaining the formal business of the meeting and a personalised voting and proxy form.

In conjunction with this Notice of Meeting, Arena REIT has also published its 2017 Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2017.

If you have elected to receive the 2017 Annual Report by post, a copy of it will accompany this Notice of Meeting. The report is also available on the Arena website (www.arena.com.au) and we encourage you to view it online ahead of the AGM.

The AGM will commence with an introductory presentation from me, followed by a presentation from Bryce Mitchelson, the Managing Director, who will provide an overview of the recent operating performance of Arena REIT. This will be followed by the formal items of business and, finally, an opportunity for Securityholders to ask general questions at the end of the meeting. You may also submit questions up to a week prior to the meeting using the Question Form enclosed or, alternatively, by visiting www.boardroomlimited.com.au/ARFquestions.

The formal part of the meeting is to consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2017 (as contained in the 2017 Annual Report), and to vote on the Remuneration Report, my re-appointment as a non-executive director, a placement of securities in July 2017 and the grant of long term performance rights to the Managing Director and Chief Financial Officer.

The Independent Directors unanimously recommend that you vote in favour of all resolutions. The voting results of the AGM will be announced to the ASX following the conclusion of the AGM.

I look forward to seeing those Securityholders who are able to attend on 15 November 2017. At the conclusion of the AGM, the Board and senior executives will be available to meet with you over refreshments.

Yours sincerely



David Ross,
Chairman

28 September 2017



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 (the Company, ACN 602 365 186) 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: 10.00 am (AEDT)

Date: Wednesday 15 November 2017

Venue: Australia Room 2, Novotel Melbourne on Collins 270 Collins Street, Melbourne Victoria

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 2017.

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 2017 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 David Ross as director of the Company

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

'That Mr David Ross, who was appointed on incorporation of the Company on 16 October 2014 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 – Ratification of Institutional Placement

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 purpose of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 27,093,596 Securities at an issue price of \$2.03 per Security, under

a placement to institutional investors as detailed in the Explanatory Memorandum (Placement), is ratified'.

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

Resolution 4 – Grant of performance rights to Mr Bryce Mitchelson

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 Bryce Mitchelson, of Performance Rights as his long term incentive under the Arena REIT 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 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 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.

Notes

Chair

Under the Corporations Act, 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 Chairman, Mr David Ross, to act as chair of the AGM (Chair) in accordance with sections 249U and 252S of the Corporations Act, except in relation to Resolution 2 relating to his re-election as a director, where another Director present will assume the Chair for that resolution.

Quorum

The quorum required at the AGM is at least two Securityholders in person 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, 3, 4 and 5 are all ordinary resolutions, and therefore will be passed if more than 50% of the votes cast by Securityholders present (in person or by representative or 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 section 253E of the Corporations Act. This section provides that the Responsible Entity and its associates are not entitled to vote on a resolution if they have an interest in the resolution, other than as a Securityholder. The Chair will not, however, disregard a vote if it is cast by the Responsible Entity or one of its associates as proxy for a person who is entitled to vote, if their proxy appointment specifies the way they are to vote and they vote that way. For specific voting exclusion statements, please refer to the Explanatory Memorandum.

Voting in person by an individual

To vote in person, you are required to attend the AGM on 15 November 2017 or any adjournment of the AGM. Please arrive 15 minutes prior to the 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.

All appointed corporate representatives should either lodge with Arena REIT's registry, Boardroom Pty Limited, before the AGM, or bring to the AGM, 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 10.00 am (AEDT) on Monday 13 November 2017 via mail, online, fax or in person.

Results

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

How to vote

By Proxy

Online:

Step 1: Visit www.votingonline.com.au/ARFAGM2017

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 2001

or

Level 7, 333 Collins Street, Melbourne VIC 3000

If voting by proxy, for your vote to be effective your proxy form must be received before 10.00am (AEDT) on Monday 13 November 2017.

At the meeting

Wednesday 15 November 2017
10.00am (AEDT)

Australia Room 2, Novotel Melbourne on Collins,
270 Collins Street, Melbourne VIC 3000

Investor registration commences at 9.40am (AEDT).

Voting entitlement

Securityholders registered as holders of stapled Securities in Arena REIT (comprising units in the Trusts and shares in the Company) as at 10.00am (AEDT) on Monday 13 November 2017 will be entitled to attend and vote at the AGM (subject to any voting exclusion).

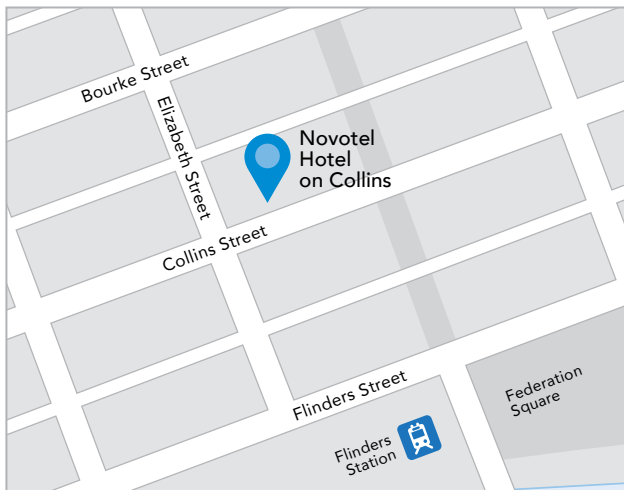
The Responsible Entity and its associates are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a Securityholder in accordance with section 253E of the Corporations Act.

Corporate representatives

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 him or her to act as the Securityholder's representative. A 'Certificate of Appointment of Representative' may be obtained from Arena REIT's registry, Boardroom Pty Limited.

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

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 2017 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 2017 Annual Report includes the Financial Report (which includes financial statements and the directors' declaration), the Directors' Report, and the Auditor's Report, and has been prepared and provided to those Securityholders who have elected to receive it by mail. A copy of the Arena REIT 2017 Annual Report is also available online to download at www.arena.com.au.

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. A list of those relevant written questions will be made available to Securityholders who attend the AGM. A Securityholder wishing to submit a question to the Auditor should visit www.boardroomlimited.com.au/ARFquestions or complete the 'Arena REIT Securityholder Question Form' enclosed and return it by post in the reply paid envelope provided or fax it to (02) 9290 9655 no later than 5.00pm (AEDT) on Wednesday 8 November 2017.

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 2017 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 Annual Report 2017 and commences on page 23. The Remuneration Report describes Arena REIT's remuneration arrangements for Key Management Personnel (KMP) for the period ended 30 June 2017, including:

- the remuneration framework adopted by the Board;
- remuneration details for each director and KMP; and
- Arena REIT's Short Term Incentive and Long Term Incentive Plans, including performance measures.

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.

Voting exclusion statement

The Chair of the AGM will disregard any votes cast in respect of Resolution 1 by or on behalf of:

- members of the KMP (being the directors and the other KMP as disclosed in the Remuneration Report); and
- closely related parties of those persons.

However, the Chair of the AGM need not disregard a vote in respect of Resolution 1 if:

- it is cast by a person (including the Chair of the AGM) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person who is Chair of the AGM as proxy for a person who is entitled to vote, 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 KMP.

For the purposes of this voting exclusion, 'key management personnel' are the Directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of Arena REIT, either directly or indirectly. Their 'closely related parties' are defined in the Corporations Act, and include certain of their family members, dependents and companies they control.

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

Explanatory Memorandum (continued)

Other Business

Resolution 2 – Re-election of Mr David Ross as a director of the Company

In accordance with ASX Listing Rule 14.4, Mr David Ross offers himself for re-election as a director of the Company.



David Ross, Independent Non-Executive Director and Chairman

David has over 30 years' experience in the real estate and investment management sectors.

He held senior positions with Lend Lease Corporation over a period of 10 years, including Global and US Chief Executive Officer Real Estate Investments, Chief Executive Officer Asia Pacific and Chief Executive Officer of General Property Trust. He was also Chief Operating Officer of Babcock and Brown, responsible for the Group's corporate and administrative support functions globally. David was appointed as an Independent Non-Executive Director of Charter Hall Group in December 2016.

David holds a Bachelor of Commerce, a Property Valuation qualification and is a Fellow of the Australian Institute of Company Directors (FAICD).

Other current directorships: Charter Hall Group.

Former directorships in last three years: None.

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

Resolution 3 – Ratification of Institutional Placement

The purpose of these resolutions is to approve and ratify, in accordance with ASX Listing Rule 7.4, the previous issue of Securities to existing and new institutional investors via an institutional placement arranged by Morgan Stanley Securities Limited in July 2017 (Placement).

Background

Pursuant to the placement, Arena REIT issued 27,093,596 Securities at an issue price of \$2.03 per Security to existing and new institutional investors via an institutional placement arranged by Morgan Stanley Securities Limited.

The Securities issued were fully paid ordinary stapled securities in Arena REIT, ranking equally with all other ordinary Securities and having identical rights to existing Securities quoted on the ASX.

Under ASX Listing Rule 7.1, Arena REIT may issue up to 15% of its issued capital without obtaining Securityholder approval in any 12 month period. The issue of Securities pursuant to the Placement did not

exceed this 15% threshold. Without the approval sought under this Resolution 3, the Securities issued under the placement would count towards the 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.4, however, provides that where Securityholders subsequently approve an issue of securities, that previous issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1. Therefore, Arena REIT's 15% placement capacity will be refreshed and Arena REIT will be able to issue further Securities up to that limit.

Funds raised by the Placement were used to purchase nine early learning centres announced in the investor presentation dated 28 July 2017.

Following the Placement, Arena REIT undertook a Securityholder Purchase Plan to allow non-institutional investors to subscribe to new securities at a price equivalent to that offered to institutional investors.

Voting exclusion statement

In accordance with the ASX Listing Rules, the Chair will disregard any votes cast in respect of Resolution 3 by:

- any person who participated in the Placement; and
- any associate of such persons.

The Chair of the AGM need not disregard, however, any vote cast in respect of Resolution 3 if:

- it is cast by a person (including the Chair of the AGM) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person who is Chair of the AGM as proxy for a person who is entitled to vote, 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.

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

Resolution 4 – Grant of performance rights to Mr Bryce Mitchelson

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the proposed grant of performance rights to the Managing Director, Mr Bryce Mitchelson, in accordance with Arena REIT's long-term incentive plan (LTI Plan) as summarised below.

The LTI Plan is an annual performance-based equity incentive scheme designed to align the interests of employees and Securityholders over the long-term and retain high performing individuals.

If Securityholder approval is obtained, the rights will be granted:

- as part of Mr Mitchelson's total remuneration;
- under the terms of the LTI Plan;

- at no cost to Mr Mitchelson. No amount is payable on conversion of the rights to Securities if the applicable performance conditions are met or when the rights vest; and
- with no distributions payable on the unvested rights during the performance period.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

Each right is a conditional entitlement to one fully paid Security that will rank equally with those traded on the ASX. The rights will be subject to further conditions outlined below. These rights do not carry any dividend or voting rights until they are converted into Securities.

The number of rights to be granted to Mr Mitchelson under the LTI Plan will be based on 25% of his maximum total remuneration opportunity for the 2018 financial year (FY18), divided by the independent valuation of a performance right. Ernst & Young has undertaken an independent valuation of the rights granted under the LTI Plan and assessed their fair value at \$1.49 per right. Accordingly, it is proposed to issue Mr Mitchelson 193,885 rights, representing a grant value of \$288,889.

Based on the ARF security price on the next ASX trading date following the grant date (3 July 2017), the performance rights have a face value of \$424,608.

2018 Financial Year Performance Hurdles

Under the proposed LTI Plan grant of rights for the 2018 Financial Year, the performance rights will vest on 30 June 2020, subject to the achievement of certain performance hurdles. Under the LTI Plan, there are two independent performance hurdles, each having a 50% weighting:

Hurdle 1: Relative total shareholder return (TSR)

Relative TSR performance is determined based on Arena REIT's total ASX return (assuming distributions are reinvested) ranking against the constituents of the comparator group over the performance period. The comparator group for the proposed grant of performance rights is A-REITs in the S&P/ASX 300 Accumulation Index. The performance measurement period will be from 1 July 2017 to 30 June 2020.

Percentile ranking	Proportion of TSR-hurdled Performance Rights that vest
Below 50 th percentile	0%
50 th to 75 th percentile	Progressive pro-rata vesting between 50% and 100% (i.e. on a straight line basis)
At or above the 75 th percentile	100%

Hurdle 2: Distributable income per Security (DIS)

FY20 Distributable Income per Security	Proportion of DIS-hurdled Performance Rights that vest
Below 13.50 cents per Security (cps)	0%
Between 13.50 and 14.25 cps	Progressive pro-rata vesting between 50% and 100% (i.e. on a straight line basis)
At or above 14.25 cps	100%

The Board retains a discretion to adjust the conditions and/or the performance outcome used for assessing whether the performance-related conditions have been satisfied to ensure that participants are neither advantaged nor disadvantaged by matters that affect the conditions (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

Under the terms of the LTI Plan, the Remuneration and Nomination Committee (comprising the Company's independent directors) will assess performance at the relevant time against these hurdles to determine the number of Securities to be issued to Mr Mitchelson.

Persons who received Securities under the LTI Plan since the last approval

No persons referred to in ASX Listing Rule 10.14 (such as directors) have received any rights under the LTI Plan since the last meeting of Arena REIT on 17 November 2016, other than Bryce Mitchelson (who received 195,736 rights) and Gareth Winter (who received 123,326 rights). The rights received by Bryce Mitchelson and Gareth Winter were in accordance with the approvals of Securityholders at that meeting.

Persons entitled to participate in the LTI Plan

Bryce Mitchelson (Managing Director) and Gareth Winter (Executive Director of the Responsible Entity) are the only persons referred to in ASX Listing Rule 10.14 who are entitled and eligible to participate in the LTI Plan at the discretion of the Board.

Terms of any loans

There will be no loan provided in relation to the acquisition of the performance rights by Mr Mitchelson.

Issue date of performance rights

If Securityholder approval is obtained, it is anticipated that the performance rights will be granted to Mr Mitchelson shortly after the AGM. No performance rights will be granted pursuant to this approval more than 12 months after the date of the meeting.

Explanatory Memorandum (continued)

If Securityholder approval is not obtained, in order to appropriately remunerate Mr Mitchelson, the Board may consider providing alternative compensation to Mr Mitchelson (equivalent to the value of the performance rights he would have had at vesting had such grant been approved by Securityholders), but the Board would only do so to the extent that the applicable performance measures were satisfied.

Termination of employment

In the event of the termination of Mr Mitchelson's employment, the following treatment will apply in respect of unvested performance rights:

- dismissal for cause or resignation: unvested performance rights will lapse (unless the Board determines otherwise); and
- in all other circumstances: unvested performance rights will remain on foot subject to the original performance conditions and vesting period. The Board will have discretion to pro-rate performance rights which remain on foot (e.g. to reflect the portion of the performance/vesting period that has lapsed). The Board may cause a performance right to lapse in full and also allow accelerated vesting (pro-rated for time and performance) in special circumstances (subject to the termination benefit cap rules).

Change of control

In the event of a successful takeover bid for Arena REIT 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 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 discretion).

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast on Resolution 4 by:

- Mr Bryce Mitchelson;
- any associate of Mr Bryce Mitchelson;
- Mr Gareth Winter; and
- any associate of Mr Gareth Winter.

The Chair of the AGM need not disregard, however, any vote cast in respect of Resolution 4 if:

- it is cast by a person (including the Chair of the AGM) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- it is cast by the person who is Chair of the AGM as proxy for a person who is entitled to vote, 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.

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

Resolution 5 – Grant of performance rights to Mr Gareth Winter

In accordance with ASX Listing Rule 10.14, Arena REIT is seeking the approval of Securityholders for the proposed grant of performance rights to the chief financial officer and executive director of the Responsible Entity, Mr Gareth Winter, in accordance with Arena REIT's LTI Plan as summarised under Resolution 4.

If Securityholder approval is obtained, the rights will be granted:

- as part of Mr Winter's total remuneration;
- under the terms of the LTI Plan;
- at no cost to Mr Winter. No amount is payable on conversion of the rights to Securities if the applicable performance conditions are met or when the rights vest; and
- with no distributions payable on the unvested rights during the performance period.

As approval is sought under ASX Listing Rule 10.14, further approval for the purposes of ASX Listing Rule 7.1 is not required.

Each right is a conditional entitlement to one fully paid Security that will rank equally with those traded on the ASX. The rights will be subject to further conditions outlined below. These rights do not carry any dividend or voting rights until they are converted into Securities.

The number of rights to be granted to Mr Winter under the LTI Plan will be based on 25% of his maximum total remuneration opportunity for the 2018 financial year (FY18), divided by the independent valuation of a performance right. Ernst & Young has undertaken an independent valuation of the rights granted under the LTI Plan and assessed their fair value at \$1.49 per right. Accordingly, it is proposed to issue Mr Winter 120,805 rights, representing a grant value of \$180,000.

Based on the ARF security price on the next ASX trading date following the grant date (3 July 2017), the performance rights have a face value of \$264,563.

2018 Financial Year Performance Hurdles

Under the proposed LTI Plan grant of rights for the 2018 Financial Year, the performance rights will vest on 30 June 2020, subject to the achievement of certain performance hurdles. These performance hurdles for

Mr Winter's performance rights are the same as for Mr Mitchelson, which are described previously.

The Board retains a discretion to adjust the conditions and/or the performance outcome used for assessing whether the performance-related conditions have been satisfied to ensure that participants are neither advantaged nor disadvantaged by matters that affect the conditions (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

Under the terms of the LTI Plan, the Remuneration and Nomination Committee (comprising the Company's independent directors) will assess performance at the relevant time against these hurdles to determine the number of Securities to be issued to Mr Winter.

Persons who received Securities under the LTI Plan since the last approval

No persons referred to in ASX Listing Rule 10.14 (such as directors) have received any rights under the LTI Plan since the last meeting of Arena REIT on 17 November 2016, other than Bryce Mitchelson (who received 195,736 rights) and Gareth Winter (who received 123,326 rights). The rights received by Bryce Mitchelson and Gareth Winter were in accordance with the approvals of Securityholders at that meeting.

Persons entitled to participate in the LTI Plan

Bryce Mitchelson (Managing Director) and Gareth Winter (Executive Director of the Responsible Entity) are the only persons referred to in ASX Listing Rule 10.14 who are entitled and eligible to participate in the LTI Plan at the discretion of the Board.

Terms of any loans

There will be no loan provided in relation to the acquisition of the performance rights by Mr Winter.

Issue date of performance rights

If Securityholder approval is obtained, it is anticipated that the performance rights will be granted to Mr Winter shortly after the AGM. No performance rights will be granted pursuant to this approval more than 12 months after the date of the meeting.

If Securityholder approval is not obtained, in order to appropriately remunerate Mr Winter, the Board may consider providing alternative compensation to Mr Winter (equivalent to the value of the performance rights he would have had at vesting had such grant been approved by Securityholders), but the Board would only do so to the extent that the applicable performance measures were satisfied.

Termination of employment

In the event of the termination of Mr Winter's employment, the following treatment will apply in respect of unvested performance rights:

- dismissal for cause or resignation: unvested performance rights will lapse (unless the Board determines otherwise); and
- in all other circumstances: unvested performance rights will remain on foot subject to the original performance conditions and vesting period. The Board will have discretion to pro-rate performance rights which remain on foot (e.g. to reflect the portion of the performance/vesting period that has lapsed). The Board may cause a performance right to lapse in full and also allow accelerated vesting (pro-rated for time and performance) in special circumstances (subject to the termination benefit cap rules).

Change of control

In the event of a successful takeover bid for Arena REIT 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 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 discretion).

Voting exclusion statement

In accordance with the Corporations Act and the ASX Listing Rules, the Chair will disregard any votes cast on Resolution 5 by:

- Mr Gareth Winter;
- any associate of Mr Gareth Winter;
- Mr Bryce Mitchelson; and
- any associate of Mr Bryce Mitchelson.

The Chair of the AGM need not disregard, however, any vote cast in respect of Resolution 5 if:

- it is cast by a person (including the Chair of the AGM) as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person who is Chair of the AGM as proxy for a person who is entitled to vote, 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.

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

Glossary

ACN: Australian Company Number

AEDT: Australian Eastern Daylight Saving Time

AFSL: Australian Financial Services Licence

Arena REIT: The group comprising Arena REIT Limited, Arena REIT No.1 and Arena REIT No.2

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

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)

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

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

Security: 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
ACN 600 069 761 AFSL 465754

Registered Office

Level 5, 41 Exhibition Street
Melbourne VIC 3000

Phone: +61 3 9093 9000

Fax: +61 3 9093 9093

Email: info@arena.com.au

Website: www.arena.com.au

Directors

David Ross (Independent, Non-Executive Chairman)

Simon Parsons (Independent, Non-Executive Director)

Dennis Wildenburg (Independent, Non-Executive Director)

Bryce Mitchelson (Managing Director)

Gareth Winter (Executive Director)

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 inquiries 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

Stock exchange listing

Arena REIT stapled securities are listed on the Australian Securities Exchange (ASX)





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 received **before 10:00am (AEDT) on Monday, 13 November 2017.**

TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/ARFAGM2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your voting access code (VAC)**

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

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 security holder of Arena REIT. 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 Arena REIT's securities registry or you may copy this form.

To appoint a second proxy, you must:

- (a) 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.
- (b) 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 Arena REIT'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 (AEDT) on Monday, 13 November 2017.** 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** www.votingonline.com.au/ARFAGM2017

 **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 or
Sydney NSW 2000 Australia

Boardroom Pty Limited
Level 7, 333 Collins Street
Melbourne VIC 3000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Arena REIT (ARF)

Your Address

This is your address as it appears on Arena REIT's 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 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 Arena REIT to be held in the **Australia Room 2, Novotel Melbourne on Collins, 270 Collins Street, Melbourne, VIC 3000 on Wednesday, 15 November 2017 at 10:00am (AEDT)** 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, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4 & 5 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). 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 David Ross as director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3#	Ratification of Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4#	Grant of performance rights to Mr Bryce Mitchelson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5#	Grant of performance rights to Mr Gareth Winter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#This resolution is subject to voting exclusions - Please read the voting exclusion statement included in the Arena REIT Notice of Annual General Meeting and Explanatory Memorandum

STEP 3 SIGNATURE OF SECURITYHOLDERS

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

Individual or Securityholder 1 <input style="width: 100%; height: 30px;" type="text"/> Sole Director and Sole Company Secretary	Securityholder 2 <input style="width: 100%; height: 30px;" type="text"/> Director	Securityholder 3 <input style="width: 100%; height: 30px;" type="text"/> Director / Company Secretary
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Contact Name..... Contact Daytime Telephone..... Date / / 2017