



Notice of Meetings 2020



Ingenia Communities Group Annual General Meeting Tuesday 10 November 2020

**Ingenia Communities Group (ASX: INA)
Ingenia Communities Holdings Limited (ACN 154 444 925)
Ingenia Communities Management Trust (ARSN 122 928 410)
Ingenia Communities Fund (ARSN 107 459 576)**

**Responsible Entity:
Ingenia Communities RE Limited (ACN 154 464 990)**

Notice is hereby given that the 2020 Annual General Meeting (**AGM or Meeting**) of Security holders of Ingenia Communities Holdings Limited (**Company**) and General Meetings of Unitholders of Ingenia Communities Management Trust (**Trust**) and Ingenia Communities Fund (**Fund**) (together **Ingenia Communities Group**) will be held as a virtual meeting at <https://agmlive.link/INA20> on Tuesday 10 November 2020 commencing at 11.30am (Sydney time).

Security holders are encouraged to participate in the Meeting online at <https://agmlive.link/INA20>, where you will be able to view the Meeting, cast an online vote during the Meeting, and ask questions.

The Explanatory Notes and the Proxy Form form part of these notices.

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Ingenia Communities Group

GENERAL INFORMATION

The Shares in the Company are stapled to the Units of the Fund and the Trust, and are quoted jointly on the ASX as Ingenia Communities Group (ASX: INA). As a result, the securities cannot be traded separately. For this reason, the meetings for the three entities will be held together at the same place and on the same day.

The meetings for the Company, the Fund and the Trust will be conducted simultaneously, subject to the discretion of the Chairman to adjourn or reconvene any specific meeting. Each resolution will be voted on separately.

For information on how to participate in the Meeting, ask questions, vote, appointment and lodgement of proxies please see pages 3 to 5 of this Notice of Meetings.

Certain capitalised terms are defined in the Constitutions of the Company, the Fund and the Trust unless the context requires otherwise.

NOTICE OF GENERAL MEETINGS

Ingenia Communities Management Trust (ARSN 122 928 410)

Ingenia Communities Fund (ARSN 107 459 576)

Ingenia Communities RE Limited (ACN 154 464 990) (**Responsible Entity**) gives notice that meetings of the Unitholders of the Ingenia Communities Management Trust (ARSN 122 928 410) and Ingenia Communities Fund (ARSN 107 459 576) will be held as a virtual meeting at <https://agmlive.link/INA20> on Tuesday 10 November 2020 commencing at 11.30am (Sydney time), to transact the following business: a general discussion of the activities of the Trust and Fund.

No formal resolutions are proposed at this meeting.

NOTICE OF ANNUAL GENERAL MEETING

Ingenia Communities Holdings Limited (ACN 154 444 925)

Notice is given that an Annual General Meeting of the Shareholders of Ingenia Communities Holdings Limited will be held as a virtual meeting at <https://agmlive.link/INA20> on Tuesday 10 November 2020 commencing at 11.30am (Sydney time), to transact the following business.

BUSINESS OF THE MEETING

Item 1: Ingenia Communities Group Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Group for the year ended 30 June 2020.

Item 2: Remuneration Report

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

"To adopt the Remuneration Report for the year ended 30 June 2020."

Notes:

- i. In accordance with section 250R of the *Corporations Act 2001*, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- ii. A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 3: Re-election and Election of Directors

Item 3.1: Re-election of Ms Amanda Heyworth

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

"That Ms Amanda Heyworth, being a Director who is retiring in accordance with clauses 74.1 and 74.4 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers herself for re-election, be re-elected as a Director of the Company."

Item 3.2: Election of Ms Pippa Downes

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

"That Ms Pippa Downes, being a Director who was appointed by the Directors on 4 December 2019 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company in accordance with clause 73.2 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers herself for election, be elected as a Director of the Company."

Item 3.3: Election of Mr Greg Hayes

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

"That Mr Greg Hayes, being a Director who was appointed by the Directors on 17 September 2020 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company in accordance with clause 73.2 of the Company's Constitution and Listing Rule 14.4, and being eligible, offers himself for election, be elected as a Director of the Company."

Item 4: Approval to issue securities under the Ingenia Communities Group Rights Plan

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

"That for the purposes of Listing Rule 7.2, Exception 13, and for all other purposes, Security holders approve the issue of securities under the Ingenia Communities Group Rights Plan on the terms and conditions outlined in the Explanatory Notes."

Note:

A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 5: Grant of Fixed Remuneration Rights, Short-Term Incentive Plan Rights and Long-Term Incentive Plan Rights to Mr Simon Owen

Item 5.1 – Grant of Amended FY20 Short-Term Incentive Plan Rights

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Security holders approve the grant by the Company to Mr Simon Owen of FY20 Short-Term Incentive Rights as outlined in the Explanatory Notes (and the issue of Stapled Securities upon the vesting and exercise of those Rights), under the Ingenia Communities Group Rights Plan and on the terms and conditions set out in the Explanatory Notes.”

Note:

A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

Item 5.2 – Grant of FY21 Fixed Remuneration Rights, Short-Term Incentive Plan Rights and Long-Term Incentive Plan Rights

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Security holders approve the grant by the Company to Mr Simon Owen of Rights in respect of Fixed Remuneration, Short-Term Incentive and Long-Term Incentive calculated as outlined in the Explanatory Notes (and the issue of Stapled Securities upon the vesting and exercise of those Rights), under the Ingenia Communities Group Rights Plan and on the terms and conditions set out in the Explanatory Notes.”

Note:

A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

BY ORDER OF THE BOARD



Nhu Nguyen
Company Secretary

APPOINTMENT OF CHAIR

In accordance with section 252S of the *Corporations Act* and the Fund and Trust Constitutions, Ingenia Communities RE Limited has appointed Mr James Hazel to act as Chairman of the Meeting.

ANNUAL REPORTS

Copies of the Annual Report for Ingenia Communities Group may be accessed on the Group’s website at www.ingeniacommunities.com.au/investor-centre/

ENTITLEMENT TO VOTE

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Security holders of the Group as at 7.00 pm (Sydney time) on Sunday, 8 November 2020 (**Entitlement Time**), subject to any applicable voting exclusion.

This means that if you are not the registered holder of a security in the Group at the Entitlement Time, you will not be entitled to vote at the Meeting.

CORPORATE REPRESENTATIVES

Where a security holding is registered in the name of a corporation, the corporate Security holder may appoint a person to act as its representative to participate in the meeting by providing that person with:

- i. a letter or certificate authorising him or her as the corporation’s representative, executed in accordance with the corporation’s constitution; or
- ii. a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

A copy of the letter, certificate or resolution must be sent to Link Market Services prior to admission into the virtual Meeting.

ALL RESOLUTIONS WILL BE BY POLL

As Security holders are asked to participate virtually in the Meeting, each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the Security holders as a whole and is a way to ensure the views of as many Security holders as possible are represented at the Meeting.

PARTICIPATING IN THE MEETING ONLINE

We recommend logging in to the online platform at least 15 minutes prior to the scheduled start time for the AGM using the instructions below:

- Enter this link <https://agmlive.link/INA20> in the web browser using a computer, mobile phone or online device;
- Security holders will need the Security Reference Number or Holder Identification Number to log onto the online platform; and
- Proxy holders will need the proxy code which Link Market Services will provide via email no later than 12 hours prior to the AGM.

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Further information about how to log in to the AGM online platform, to register for the Meeting, and to participate in the Meeting as a Security holder is available in the Virtual Annual General Meeting Online Guide, which can be accessed online via the Group's website at: www.ingeniacommunities.com.au/investor-centre/

HOW TO VOTE

Voting during the AGM

Security holders using the online platform (<https://agmlive.link/INA20>) will be able to vote through the online platform **at any time between the commencement of the AGM (11.30am (Sydney time) on Tuesday 10 November 2020) and the closure of voting as announced by the Chair during the AGM.**

More information about how to use the online platform (including how to vote and ask questions online during the AGM) is available in the Virtual Annual General Meeting Online Guide, which has been lodged with the ASX and is available on the Group's website at www.ingeniacommunities.com.au/investor-centre/. If Security holders intend to use the online platform, then before the AGM we recommend Security holders to ensure the online platform works on your device. Further instructions are provided in the Virtual Annual General Meeting Online Guide.

Other options for voting

Security holders who are unable to join the AGM are encouraged to cast a vote prior to the Meeting or, alternatively, to appoint a proxy to attend and vote on your behalf. Security holders can cast a vote or appoint a proxy online, prior to the AGM, at www.linkmarketservices.com.au or by following the instructions on the Proxy Form which must be submitted no later than 11.30am (Sydney time) on Sunday 8 November 2020.

APPOINTMENT OF PROXY

A Security holder who is entitled to participate in and vote at this Meeting is entitled to appoint not more than two proxies to participate and vote in place of the Security holder.

If the Security holder appoints two proxies, the Security holder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Security holder's votes. If the specified proportion or number of votes exceed that which the Security holder is entitled to, each proxy may exercise half of the Security holder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Security holder of the Group. A body corporate appointed as a Security holder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should send to Link Market Services evidence of his or her appointment prior to the AGM, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Subject to the specific proxy provisions applying to Items 2, 4, 5.1 and 5.2 (see Explanatory Notes below):

- If a Security holder has not directed their proxy how to vote, the proxy may vote as the proxy determines, and
- If a Security holder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with his voting intention as stated in this Notice of Meeting.

Proxy Voting by the Chairman

For Item 2 (Remuneration Report), Item 4 (Approval to Issue Securities under the Ingenia Communities Group Rights Plan), Item 5.1 (Grant of Amended FY20 Short-Term Incentive Rights) and Item 5.2 (Grant of FY21 Fixed Remuneration Rights, Short-Term Incentive Rights and Long-Term Incentive Rights to the CEO), where the Chairman is appointed as a Security holder's proxy and that Security holder has not specified the way in which the Chairman is to vote, the Security holder is directing the Chairman to vote in accordance with the Chairman's voting intentions for these items of business; even though Items 2, 4, 5.1 and 5.2 are connected with the remuneration of **Key Management Personnel** (or **KMP**).

The Chairman intends to vote all undirected proxies in favour of the resolutions in the Notice of Meeting, including Items 2, 4, 5.1 and 5.2.

Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than 11.30am (Sydney time) on Sunday 8 November 2020 (Proxy Deadline)**.

Proxy forms may be submitted in one of the following ways:

- i. **By mail** to Link Market Services Pty Ltd using the reply-paid envelope or Locked Bag A14, Sydney South NSW 1235. Please allow sufficient time so that it reaches the Company's Share Registry by the Proxy Deadline;
- ii. **Mobile Device** using a mobile device by scanning the QR code on the back of the Proxy Form. To scan the QR code you will need a QR code reader application that can be downloaded for free on your mobile device. You will also need your SRN or HIN and postcode for your security holding.
- iii. **By fax** to Link Market Services Pty Ltd on +61 2 9287 0309;
- iv. **Online** via the Company's Share Registry website at www.linkmarketservices.com.au. Please refer to the Proxy Form for more information. You will need your Securityholder Reference Number (**SRN**) or Holding Identification Number (**HIN**); or
- v. **By hand** delivery to Link Market Services Pty Ltd at Level 12, 680 George Street, Sydney NSW 2000, during business hours (Monday to Friday, 9.00am-5.00pm).

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

ASKING QUESTIONS - BEFORE AND AT THE MEETING

Questions may be submitted online at www.linkmarketservices.com.au or by completing and returning the AGM Question Form to Link Market Services, as outlined in the Question Form.

Written questions (including questions to the Auditor) should be submitted no later than the fifth business day before the Meeting, being Tuesday 3 November 2020. Questions to the Auditor should relate to the content of the Auditor's Report and the conduct of the Audit.

Security holders may also submit questions and comments online during the Meeting via the AGM online platform. The Chairman of the Meeting will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the Meeting. The Auditor will also be in attendance at the Meeting.

EXPLANATORY NOTES

Notes on Business

ITEM 1 – Financial Statements and Reports

As required by section 317 of the *Corporations Act*, the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the Meeting.

The Financial Report comprises the consolidated financial report of the Company and its controlled entities, including the Ingenia Communities Fund and the Ingenia Communities Management Trust.

There is no requirement for a formal resolution on this Item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for Security holders to ask questions about or make comments on the management of the Group. Security holders will also be given a reasonable opportunity at the Meeting to ask the Group's auditor, Ernst & Young (**EY**) questions about the Auditor's Report, the conduct of its audit of the Group's Financial Report for the year ended 30 June 2020, the preparation and content of the Auditor's Report, the accounting policies adopted by the Group in its preparation of the financial statements and the independence of EY in relation to the conduct of the audit.

Security holders may submit written questions to the Company in relation to the above matters. Written questions must be received no later than **5.00pm (Sydney time) on Tuesday 3 November 2020**. A form to facilitate the submission of questions is attached to this Notice and it includes details on the return of this form to the Share Registry.

No Security holder vote is required.

ITEM 2 – Adoption of Remuneration Report

In accordance with section 300A of the *Corporations Act* the Company has published a Remuneration Report in the 2020 Annual Report.

As provided by section 250R(3) of the *Corporations Act*, the Company has included a resolution in this Notice for the consideration of Security holders, seeking adoption of the Remuneration Report for the year ended 30 June 2020. The resolution on this item of business is advisory only and does not bind the Board or the Company.

The Company's remuneration framework is designed to attract, engage, motivate and retain the key talent necessary to achieve Ingenia's goals and create value for Security holders. The Board is committed to ensuring that the Group's remuneration policies and practices are fair, competitive and responsible and that remuneration arrangements are communicated with clarity. The Board is also aware that executive KMP remuneration practices are continually evolving and therefore practices remain under constant review.

Remuneration outcomes were carefully considered in the context of the Group's performance and the unprecedented challenges which arose during the year. It was found that the Company's remuneration framework continued to be 'fit for purpose', with remuneration levels considered sufficient to attract and retain key executives and performance measures, as set, focusing management on Board priorities for creating incremental value.

FY20 was a year of extraordinary challenge posed by bushfires in December and January and the COVID-19 pandemic, which impacted home settlements and forced the closure of the Group's Holiday Parks, materially impacting revenue. While Ingenia received JobKeeper of \$4.4 million this benefit was fully offset by other unusual costs, including the re-employment of staff and other items. FY20 Executive Short-Term Incentive (STI) award outcomes were based on the achievement of financial and operating results, and targets were not adjusted for the impact of unusual items, including COVID-19 and bushfire events. As a result, STI awards were well below the prior year.

Ingenia undertakes regular reviews of its executive remuneration framework to ensure it is in line with Group strategy, group and individual performance and market relativities. The Board has established a strong nexus between executive remuneration and Ingenia's performance and its Security holder return which is core to the Group's remuneration arrangements.

Directors' Recommendation

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

Voting Exclusion Statement

As required by the *Corporations Act*, the Company will disregard any votes cast in favour of Item 2 by any member of the Company's KMP whose remuneration details are disclosed in the Company's 2020 Remuneration Report, or a Closely Related Party of any such member, unless the person:

- i. votes as a proxy appointed by writing that specifies how the person is to vote on the resolution; or
- ii. is the Chairman of the Meeting and votes as a proxy appointed by writing that authorises the Chairman to vote on the resolution even though that resolution is connected with the remuneration of a member of the Company's KMP.

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What this means for Security holders: If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chairman of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of this item of business).

ITEM 3 – Re-election and Election of Directors

In accordance with the Company's Constitution and ASX Listing Rule 14.5 an election of Directors must be held at each annual general meeting.

Under clause 74.1 of the Constitution, the minimum number of directors to retire from office and offer themselves for re-election is one. Further, clause 74.4 of the Constitution and ASX Listing Rule 14.4 state that Directors are not to hold office (without re-election) past the third AGM following the Director's last appointment or three years, whichever is longer.

Pursuant to clause 74.4 of the Constitution and ASX Listing Rule 14.4, Ms Heyworth is retiring by rotation and is offering herself for re-election as a Director of the Company.

In accordance with Clause 73.2 of the Company's Constitution and ASX Listing Rule 14.4 any Director appointed to fill a casual vacancy or as an additional Director holds office until the next general meeting of Security holders and is then eligible for re-election.

Ms Downes was appointed as an additional Director of the Company on 4 December 2019. Ms Downes therefore retires at the conclusion of this Meeting in accordance with the Constitution and being eligible, has offered herself for election.

Mr Hayes was appointed as an additional Director of the Company on 17 September 2020. Mr Hayes therefore retires at the conclusion of this Meeting in accordance with the Constitution and being eligible, has offered himself for election.

Credentials for Ms Heyworth, Ms Downes and Mr Hayes follow.

Item 3.1: Ms Amanda Heyworth

Ms Heyworth is a professional company director and currently serves on the Boards of several private, University and Government bodies. She previously served as Executive Director of a venture capital fund which specialised in technology investments.

Early in her career, she worked as a Federal Treasury economist and held management roles in the finance and technology sectors.

Ms Heyworth has strengths in strategy, managing growth and marketing, having worked as a venture capital investor for over a decade. Ms Heyworth has strong finance and accounting credentials. She has extensive experience in capital raisings and M&A transactions and holds a BA (Accounting) with a major in finance, post graduate qualifications in accounting and finance and an MBA from the Australian Graduate School of Management.

Ms Heyworth was first appointed to the Board in April 2012. Ms Heyworth is Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Having had regard to the ASX Principles, the Board considers Ms Heyworth to be an independent director.

Directors' Recommendation

The Board unanimously (other than Ms Heyworth) supports the re-election of Ms Heyworth and recommends that Security holders vote in favour of this resolution.

Item 3.2: Ms Pippa Downes

Ms Downes was appointed to the Board in December 2019. Ms Downes is a professional company director who has held executive and non-executive roles across listed, not-for-profit and government enterprises. She brings to the Board significant experience in international banking and capital markets as well as broad industry knowledge across financial services, technology, infrastructure and property. Prior executive roles include Managing Director and Equity Partner at Goldman Sachs JB Were.

Ms Downes currently serves on the boards of ALE Property Group, Zip Co Limited and Australian Technology Innovators and is a Commissioner of Sport Australia, and was previously a Panel Member of the ASX Appeals Tribunal and a Director of ASX Clearing and Settlement Companies, Sydney Olympic Park Authority and Windlab. She has also served as a Director of The Pinnacle Foundation, Swimming Australia Foundation and Swimming Australia Limited.

Ms Downes holds a Masters in Applied Finance and a Bachelor of Science (Business Administration) and is a member of the Australian Institute of Company Directors and Women Corporate Directors.

Ms Downes is Chair of the Audit and Risk Committee and a member of the Investment Committee.

Having had regard to the ASX Principles, the Board considers Ms Downes to be an independent director.

Directors' Recommendation

The Board unanimously (other than Ms Downes) supports the election of Ms Downes and recommends that Security holders vote in favour of this resolution.

Item 3.3: Greg Hayes

Mr Hayes was appointed to the Board in September 2020. Mr Hayes is an experienced executive and company director, with more than 30 years' experience across a range of industries including property, infrastructure, energy, and logistics in both listed and private entities.

Mr Hayes' prior roles include Chief Financial Officer and Executive Director of Brambles Limited, Chief Executive Officer & Group Managing Director of Tenix Pty Ltd, Chief Financial Officer and interim CEO of the Australian Gaslight Company (AGL), Chief Financial Officer Australia and New Zealand of Westfield Holdings, and Executive General Manager, Finance of Southcorp Limited.

Mr Hayes brings to the Board skills and experience in the areas of strategy, finance, mergers and acquisitions, and strategic risk management, in particular in listed companies with global operations.

He currently serves on the Boards of Home Consortium, Aurrum Holdings Pty Ltd, High Resolves and the Precision Group and was previously a Director of Incitec Pivot Limited and The Star Entertainment Group Ltd.

Mr Hayes holds a Master of Applied Finance, a Graduate Diploma in Accounting and a Bachelor of Arts. He completed an Advanced Management Programme (Harvard Business School, Massachusetts) and is a Member of the Institute of Chartered Accountants.

Mr Hayes is a member of the Audit and Risk Committee and the Investment Committee.

Having had regard to the ASX Principles, the Board considers Mr Hayes to be an independent director.

Directors' Recommendation

The Board unanimously (other than Mr Hayes) supports the election of Mr Hayes and recommends that Security holders vote in favour of this resolution.

ITEM 4: Approval to issue securities under Ingenia Communities Group Rights Plan

Background

Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12-month period without requiring Security holder approval. Listing Rule 7.2 allows certain issues of securities to be excluded from the calculation of the number of securities issued in the 12-month period, including under Exception 13 where an issue is made under an employee incentive plan if, within three years before the date of issue, the terms of the plan are approved by Security holders.

Security holders last approved the issue of securities under the Ingenia Communities Group Rights Plan (**Rights Plan**) at the AGM held on 12 November 2019. Under the ASX Listing Rules, a refreshed approval by Security holders is required every three years, or earlier if there is a material change to the terms of the Rights Plan from those set out in the notice of meeting under which approval was last sought and obtained.

In September 2020, the Board amended the rules of the Rights Plan in a manner it considers to be material. Those amendments are set out in further detail below. The resolution in Item 4 accordingly proposes that Security holders consider and approve the Rights Plan in accordance with Listing Rule 7.2, Exception 13, which would enable securities issued under the Rights Plan over the next three years to be excluded from any calculation of securities for the purposes of Listing Rule 7.1.

The Rights Plan provides for the issue of Rights, which, upon a determination by the Board that the performance conditions attached to the Rights have been met, will result in the issue of Stapled Securities in the Group for each Right. Securities issued under the Rights Plan since the date of the last approval (12 November 2019), as at the date of this Notice of Meeting, are as follows:

Long Term Incentive Plan Rights:	473,043
Short Term Incentive Plan Rights:	132,937

The maximum number of Rights proposed to be issued under the Rights Plan following Security holder approval over the next three years is approximately 2,200,000 Rights (some of which may vest and be exercisable into INA Securities during that time). This maximum is not intended to be a prediction of the actual number of Rights to be issued under the Rights Plan, but is specified for the purposes of setting a ceiling on the number of Rights approved to be issued under and for the purposes of Listing Rule 7.2, Exception 13. If that number is reached, fresh Security holder approval under Listing Rule 7.2, Exception 13 would be required, otherwise any additional issues of Rights under the Rights Plan over the maximum will count towards the calculation of the Company's 15% placement capacity under Listing Rule 7.1.

Summary of the terms of the Ingenia Communities Group Rights Plan and recent amendments

The object of the Rights Plan is to:

- align the interests of Eligible Employees with those of Security holders;
- provide incentives to attract, retain and/or motivate Eligible Employees in the interests of Ingenia; and
- provide Eligible Employees with the opportunity to acquire Rights, and ultimately Ingenia Securities, in accordance with the rules of the Rights Plan.

An independent review of the rules of the Rights Plan indicated that Ingenia's objectives could be better met if employees granted an award under the Rights Plan knew such award would remain on foot in the event that they left the Group (subject to certain conditions and the Board's overriding discretion), such that they would be encouraged to create and maintain a sound legacy for their successors. This required a change in the rules of the Rights Plan so that on cessation of employment any unvested awards do not automatically lapse. Instead, the default position is now that such awards remain on foot unless and until the Board exercises its discretion to treat those rights differently (including allowing those rights to vest earlier or determining that the rights lapse, are forfeited, or are no longer subject to some of the restrictions that previously applied).

A summary of the terms of the Rights Plan is outlined below. Capitalised terms in this section refer to definitions in the Rights Plan rules.

Grant of Rights: The Board has discretion to grant rights to Eligible Employees on the terms of the Rights Plan and such additional terms and conditions that the Board determines. Unless the Board determines otherwise, no payment is required for the grant of Rights under the Rights Plan.

Eligible Participants: The eligible Participants under the Rights Plan are employees of the Group (including Directors), and non-executive directors, or other persons who are determined by the Board to be eligible Participants for the purposes of the Rights Plan. In accordance with the Listing Rules, prior Security holder approval will be required before any Director or related party of the Group can participate in the Rights Plan and be granted Rights.

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Information to be provided: The Board will advise each Eligible Employee of the following minimum information regarding Rights at the time of a grant or offer:

- a. the number or maximum value of Rights being offered, or the method for determining the number or maximum value;
- b. any applicable Conditions and the applicable Period;
- c. the time or times at which Rights may vest;
- d. any amount that will be payable upon vesting of a Right (if applicable);
- e. the period or periods during which Rights may be exercised and the manner of exercise of the Rights (if applicable);
- f. the date, time and circumstances when Rights lapse; and
- g. any other relevant terms and conditions attaching to the Rights or INA Securities held under the Rights Plan (including, for example, any restrictions on transfer of the INA Securities).

Title to Rights: Unless the Board determines otherwise, a Right may only be registered in the name of a Participant. A Right granted under, and subject to, these Rules is only transferable with the consent of the Board or by a court of law. Where a Participant purports to transfer a Right other than in accordance with the Rules the Right immediately lapses.

Prohibition against hedging: A Participant in the Rights Plan must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the economic benefit to be derived from Rights that remain subject to these Rules are affected, otherwise the Rights will immediately lapse.

Vesting and lapse of Rights: Subject to Board discretion (including on cessation of employment), fraud or dishonesty, reorganisations and divestment, change of control and Board powers, a Right granted under the Rights Plan will not vest unless the conditions advised to the Participant have been satisfied. The Board may, in its discretion, determine that a Right vests prior to the date specified by the Board.

Subject to the Board's overriding discretion, an unvested Right granted to a Participant will lapse upon the earliest to occur of:

- a. the date specified by the Board;
- b. an event relating to title of the rights, cessation of employment (if determined by the Board in its discretion), fraud or dishonesty, reorganisations and divestments or change of control;
- c. failure to meet the conditions by the end of the Period; or
- d. the fifteenth anniversary of the date the Right was granted,

except that paragraphs (a), (b) and (c) have no application to NED Fee Rights.

Satisfaction of vested Rights: The Board will from time to time determine whether INA will, with respect to each Right that is exercised:

- a. issue or procure the transfer to:
 - i. the Participant (or his or her personal representative); or
 - ii. a trustee who is to hold INA Securities on behalf of the Participant,
 of the number of INA Securities (including fractions of an INA Security) to which the Participant is entitled in respect of each Right as outlined in the terms of a grant or offer which may include a formula for calculating the relevant number of INA Securities (**Equity Settled**); or
- b. pay a cash amount equivalent to the market price of an INA Security on the vesting date multiplied by the number of INA Securities contemplated by the grant or offer in full satisfaction of the INA Securities that would otherwise have been allocated on exercise of the Rights (**Cash Settled**).

Ranking of INA Securities: All INA Securities issued under the Rights Plan will rank equally in all respects with other INA Securities on issue, except with regard to any rights attaching to such other INA Securities by reference to a record date prior to the date of allocation of those INA Securities.

Listing on ASX: INA will apply for quotation of INA Securities issued under the Rights Plan within the period required by ASX.

Transfer restrictions: The Board may, in its discretion, impose any trading or other restrictions in respect of INA Securities issued or transferred on the vesting of Rights. The Board must provide a Participant with details of any such restrictions at the time of a grant or offer. The Board may implement any procedure it considers appropriate to restrict a Participant from trading in INA Securities while they remain subject to these Rules including, without limitation, imposing a holding lock on the INA Securities or arranging for the INA Securities to be held on trust.

Cessation of employment: Where a Participant holding unvested Rights ceases to be an employee of the Group, the Participant may continue to hold those unvested Rights unless or until the Board exercises a discretion to determine that some or all of those Rights:

- a. lapse;
- b. are forfeited;
- c. vest (immediately or subject to conditions);
- d. are only exercisable for a specified period, and will otherwise lapse; or
- e. are no longer subject to some of the restrictions (including Vesting Conditions) that previously applied.

None of the above applies to NED Fee Rights.

Forfeiture of INA Securities allocated on vesting of Rights: The Board may, at its discretion, determine that a Participant, other than a Participant holding NED Fee Rights, will forfeit his or her interest in any vested Rights that have not been exercised and in any INA Securities

that are allocated to the Participant on exercise of vested Rights that are subject to an additional holding restriction if, during such restriction period, the Participant:

- a. is dismissed for cause; or
- b. is terminated in circumstances that, in the opinion of the Board, involve a failure by the Participant to meet acceptable performance requirements in connection with his or her employment.

For the purposes of the Rights Plan, a Participant will only be treated as ceasing employment when the Participant is no longer an employee of the Group.

Capital reorganisation: If:

- a. INA Securities are issued pro rata to INA's Security holders generally by way of a bonus issue;
- b. INA Securities are offered to INA's Security holders by way of a rights issue; or
- c. any reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of INA is effected, then:

the number of Rights to which each Participant is entitled will be adjusted in the manner determined by the Board in order to minimise or eliminate any material advantage or disadvantage to the Participant and in accordance with the Listing Rules. Any new Rights granted will, unless the Board determines otherwise, be subject to the same terms and conditions as the original Rights.

Divestment of material business or subsidiary: Where the Group divests a business designated by the Board for this purpose as 'material', the Board may determine special rules that apply to Participants of that business in relation to the Rights or INA Securities held pursuant to the Rights Plan (and any other entitlements that may arise in relation to those INA Securities). Without limiting the Board's discretion, such rules may include:

- a. varying the Conditions and/or Period applying to the Participant's Rights to take into account the divestment of the business; and
- b. deeming that the Participant remains a Group employee for a specified period.

Takeover bid or scheme of arrangement: If an Event occurs prior to Rights vesting then the Board may, in its absolute discretion, determine whether:

- a. some or all unvested Rights vest or lapse (whether subject to Conditions or not); or
- b. some or all of the unvested Rights remain subject to the applicable Conditions (or substitute Conditions),

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of the Period that has elapsed at that time.

If an Event occurs after Rights vest, all INA Securities issued or transferred (as applicable) on exercise of the Rights that remain subject to a trading restriction under the Rights Plan will be released from restriction.

An Event occurs where:

- a. a Takeover Bid is made for INA and the Board resolves to recommend the bid; or
- b. a Takeover Bid is made for INA and the bid is declared unconditional at a time prior to the bidder being entitled to 50% of the issued INA Securities in Ingenia; or
- c. a court convenes a meeting of Security holders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of INA Securities may change; or
- d. any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over INA.

Acquisition of securities in another company: If a company (the **Acquiring Company**) obtains control of INA and each of INA, the Acquiring Company and the Participant agree, then a Participant may be provided with securities in the Acquiring Company (or its parent or subsidiary) in substitution for Rights, on substantially the same terms and conditions as the Rights, but with appropriate adjustments to the number and kind of securities the subject of the Rights.

Amendment of the Rules: The Board may at any time, amend, add to, vary, omit from or substitute any of these Rules, provided that any such amendment may not materially reduce or otherwise prejudicially affect the rights attaching to the Rights granted or the INA Securities issued or transferred (as applicable) pursuant to, and still subject to, the Rights Plan, other than an amendment introduced primarily:

- a. for the purpose of complying with or conforming to present or future State or Commonwealth legislation;
- b. to correct any manifest error or mistake; or
- c. to take into consideration possible adverse tax implications for Ingenia or the Participant arising from, amongst other things, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

Board powers: The Board has absolute and unfettered discretion in exercising any power or discretion concerning the Rights Plan.

Directors' Recommendation

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

Voting Exclusion Statement

The Company will disregard any votes cast on the resolution in Item 4 by or on behalf of:

- Any person who is eligible to participate in the Rights Plan; or
- Any associate of any such persons.

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However, this does not apply to a vote cast in favour of the resolution in Item 4 by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution in Item 4, in accordance with directions given to the proxy or attorney to vote on the resolution in Item 4 in that way; or
- The Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution in Item 4, in accordance with a direction given to the Chairman to vote on the resolution in Item 4 as the Chairman decides; 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 communication 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 in Item 4; and
 - The holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In addition, no KMP of the Company or a Closely Related Party of such a member may vote as a proxy on the resolution in Item 4 unless:

- The person votes as a proxy appointed by writing that specifies how the person is to vote on the resolution in Item 4; or
- The person is the Chairman and votes as a proxy appointed by writing that authorises the Chairman to vote on the resolution in Item 4 even though the resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company.

ITEMS 5.1 and 5.2: Grant of Fixed Remuneration Rights, Short-Term Incentive Plan Rights and Long-Term Incentive Plan Rights to Mr Simon Owen

Item 5.1 – Grant of Amended FY20 STIP Rights

For the year ending 30 June 2020, Mr Owen's remuneration included an at-risk short-term incentive of up to 87.7% of his fixed remuneration as a maximum (being \$614,000) (**FY20 STIP Award**). At the Group's 2019 AGM, Security holders approved the issue of two thirds of this award (\$409,333) to be settled via Rights.

The Board has now assessed that Mr Owen is entitled to a total FY20 STIP Award of \$411,380, representing 67% of his total potential FY20 STIP Award. Due to the adverse impact of COVID-19 on the business, staff and residents, the Board and Mr Owen have agreed that, subject to Security holder approval, the whole of his FY20 STIP Award should be settled via Rights and deferred for 12 months.

New Security holder approval is therefore being sought under the resolution in Item 5.1 to allow the Company to increase the FY20 STIP Rights from a maximum of \$409,333 to a maximum of \$411,380.

The number of FY20 STIP Rights to be granted to Mr Owen (**Amended FY20 STIP Rights**) will now be determined by dividing his achieved FY20 STIP Award (\$411,380) by the VWAP of INA Securities for the 30 days prior to 1 October 2020.

The VWAP of INA Securities for the 30 days prior to 1 October 2020 was \$4.50, therefore 91,418 Amended FY20 STIP Rights would be granted.

No amount is payable in respect of the grant of the Amended FY20 STIP Rights.

The Amended FY20 STIP Rights will be granted on the following terms and conditions:

- The Amended FY20 STIP Rights are subject to a 'malus' policy during the deferral period – this means that some or all of the Amended FY20 STIP Rights may lapse (and Mr Owen will not receive INA Securities) if:
 - the Board forms the view that INA's earnings growth is not sustainable (in determining this, the Board will consider earnings growth outlook over a three year forward period); or
 - any of the circumstances set out in the rules of the Rights Plan occur such as fraud or dishonesty, a breach of obligations or material misstatement of Ingenia's financial statements. In addition, the Board has discretion to forfeit some or all Rights in the event of misconduct and behaviour not consistent with Ingenia policy or values.
- The Amended FY20 STIP Rights are subject to a one-year deferral period and are eligible to vest on the date that is twelve months following the grant date.
- After the vesting date, and on exercise, Ingenia will cause the relevant number of INA Securities to be issued or transferred to Mr Owen as determined in accordance with the Rights Conversion Formula outlined below.
- No amount is payable in return for the issue or transfer of INA Securities.
- Amended FY20 STIP Rights will not lapse on cessation of employment unless termination is for cause or the Board in its discretion determines otherwise, having regard for the facts and circumstances at the time of the cessation of employment.

If the resolution in Item 5.1 is not approved, the Company will settle Mr Owen's FY20 STIP Award of \$411,380 on the terms originally approved by Security holders at the 2019 AGM (i.e. two thirds in Rights).

Item 5.2 – Grant of FY21 Rights

The terms of Mr Owen's employment contract with Ingenia allow him to participate in the Ingenia Communities Group Rights Plan (**Rights Plan**). The Board has proposed that for the year ending 30 June 2021, Mr Owen be eligible for Fixed Remuneration Rights, Short-Term Incentive Plan (**STIP**) Rights and Long-Term Incentive Plan (**LTIP**) Rights (together, **FY21 Rights**).

The intention of the Rights Plan is to align Security holder returns of Ingenia Communities Group with the compensation potentially payable to executive-level employees and to reward executives who remain in employment and perform at the required levels of performance.

For the year ending 30 June 2021, Mr Owen's remuneration comprises the following components:

- fixed remuneration of \$735,000 per annum, comprising \$700,000 in cash inclusive of statutory superannuation and \$35,000 in Fixed Remuneration Rights;
- an at-risk short-term incentive of up to 78.2% of fixed remuneration as a maximum, with one-third payable in cash and the remaining two-thirds settled via Rights and deferred for 12 months; and
- an at-risk long-term incentive of up to 91.2% of fixed remuneration as a maximum, in Rights.

The above reflects a modest increase in remuneration for Mr Owen, comprising:

- A 5% increase in fixed remuneration, paid solely in Fixed Remuneration Rights. This increase follows a modest increase in FY20 after two consecutive years of no increase to fixed remuneration – in the same period the Group's market capitalization grew more than 150% and underlying earnings per security grew 70%;
- A reduction in at-risk short-term incentive (from 87.7% to 78.2% of fixed remuneration as a maximum); and
- An increase in at-risk long-term incentive (from 81.9% to 91.2% of fixed remuneration as a maximum).

The Fixed Remuneration Rights and at-risk deferred portions of the short-term incentive (STI) and the at-risk long-term incentive (LTI) are granted under the Rights Plan and subject to the rules of that Rights Plan, in addition to the terms and conditions outlined below.

Offer

If Items 5.1 and 5.2 are approved by Security holders, the Company will offer Mr Owen the FY21 Rights and Amended FY20 STIP Rights under a letter of offer, as outlined above.

FY21 Fixed Remuneration Rights

Fixed Remuneration of executive KMP is reviewed annually, with any adjustments subject to Board approval. Any decisions to increase Fixed Remuneration take into account market levels of Fixed Remuneration and at-risk remuneration, as advised by an independent expert, and judgements as to the extent that an executive has demonstrated a sustained level of competence in the position, whether similar levels of experience and competence are available either internally or externally should the executive leave Ingenia, and any risk associated with potential executive turnover.

From this year, if an adjustment is approved by the Board, the delivery of all or part of any increase in Fixed Remuneration may, at the Board's discretion, be in the form of an annual grant of Rights to INA Securities. The Board considers that delivery in Rights, instead of cash, further aligns the interests of the executive with Security holders.

In the case of the CEO and Managing Director, Simon Owen, any issue of securities under such an award is also subject to Security holder approval.

The maximum number of Fixed Remuneration Rights to be granted for FY21 will be calculated by dividing the rights component of the Fixed Remuneration by the VWAP of INA Securities for the 30 days prior to 1 October 2020.

Fixed Remuneration Rights to be granted: \$35,000 divided by the VWAP of INA Securities for the 30 days prior to 1 October 2020.

The VWAP of INA Securities for the 30 days prior to 1 October 2020 was \$4.50, therefore 7,778 FY21 Fixed Remuneration Rights would be granted.

No amount is payable in respect of the grant of the FY21 Fixed Remuneration Rights.

Vesting of Fixed Remuneration Rights

Mr Owen's Fixed Remuneration Rights form part of fixed remuneration and will vest, to the extent that the Service Conditions set out below are satisfied at the end of the Service Period (being the period from 1 July 2020 to 30 June 2021).

The following terms and conditions apply to Mr Owen's Fixed Remuneration Rights:

- The Fixed Remuneration Rights are subject to a 'malus' policy during the Service Period – this means that some or all of Mr Owen's Fixed Remuneration Rights may be forfeited (and he will not receive INA Securities) if any of the circumstances set out in the Rights Plan occur such as fraud or dishonesty, a breach of obligations or material misstatement of Ingenia's financial statements. In addition, the Board has discretion to forfeit some or all Rights in the event of misconduct and behaviour not consistent with Ingenia policy or values.
- After the vesting date, and on exercise, Ingenia will cause the relevant number of INA Securities to be issued or transferred to Mr Owen as determined in accordance with the Rights Conversion Formula outlined below.
- No amount is payable in return for the issue or transfer of INA Securities.
- Under the Plan Rules, Fixed Remuneration Rights will continue to be held on cessation of employment, unless the Board determines otherwise. In the event of departure during the Service Period, the Board will exercise its discretion so that the maximum Fixed Remuneration Rights which vest reflect a pro-rata adjustment for time served.

In the event that Mr Owen's Fixed Remuneration Rights are not approved by Security holders the Fixed Remuneration that would otherwise have been delivered as Rights will be paid in cash, subject to the same Service Conditions as described above.

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FY21 STIP Award

The amount of the STI, which Mr Owen is entitled to receive, will be determined by the Board, having regard to an assessment of the STIP Performance Conditions set out below following the end of the STI Performance Period (being from 1 July 2020 to 30 June 2021) (**FY21 STIP Award**).

The FY21 STIP Award is comprised of two components:

- One-third in cash (FY21 STIP Cash Award); and
- Two-thirds in Rights to INA Securities (FY21 STIP Rights).

FY21 STIP Cash Award

It is intended that the FY21 STIP Cash Award will be paid post release of the 2021 financial results, provided that Mr Owen continues to qualify for the STI.

FY21 STIP Rights

The grant of FY21 STIP Rights to Mr Owen is subject to Security holder approval. The number of FY21 STIP Rights to be granted to Mr Owen will be determined by dividing two-thirds of the maximum FY21 STIP Award (determined following testing against the STIP Performance Conditions) by the VWAP of INA Securities for the 30 days prior to the grant date (expected to be on or about 1 October 2021).

Total maximum FY21 STI Award: \$575,000

Two-thirds of maximum FY21 STI Award as STIP Rights: \$383,333

For example, if the VWAP of INA Securities for the 30 days prior to the grant date was \$4.50 and the Board determined that Mr Owen was entitled to the full two-thirds of his FY21 STI Award, then 85,186 FY21 STIP Rights would be granted.

No amount is payable in respect of the grant of the FY21 STIP Rights.

Vesting of FY21 STIP Rights

The following terms and conditions apply to the FY21 STIP Rights:

- The FY21 STIP Rights are subject to a 'malus' policy during the deferral period - this means that some or all of the FY21 STIP Rights may lapse (and Mr Owen will not receive INA Securities) if:
 - the Board forms the view that INA's earnings growth is not sustainable (in determining this, the Board will consider earnings growth outlook over a three year forward period); or
 - any of the circumstances set out in the rules of the Rights Plan occur such as fraud or dishonesty, a breach of obligations or material misstatement of Ingenia's financial statements. In addition, the Board has discretion to forfeit some or all Rights in the event of misconduct and behaviour not consistent with Ingenia policy or values.
- The FY21 STIP Rights are subject to a one-year deferral period and are eligible to vest on the date that is twelve months following the grant date.
- After the vesting date, and on exercise, Ingenia will cause the relevant number of INA Securities to be issued or transferred to Mr Owen as determined in accordance with the Rights Conversion Formula outlined below.
- No amount is payable in return for the issue or transfer of INA Securities.
- FY21 STIP Rights will not lapse on cessation of employment unless termination is for cause or the Board in its discretion determines otherwise, having regard for the facts and circumstances at the time of the cessation of employment.

FY21 STIP Performance Conditions

The FY21 STIP Award is subject to the STIP Performance Conditions or Key Performance Indicators (**KPIs**). In each case, the KPIs are set with 'threshold', 'performance' and 'stretch' performance levels (with entitlements calculated on a pro-rata basis between these levels). The KPIs are broken into four broad assessment areas: Financial, Capital Management, Operational and People, Culture and Reporting. Each assessment area is weighted to break down the award further. KPIs and their measures are related to the assessment areas.

FY21 LTIP Award

Grant of FY21 LTIP Rights

The grant of the FY21 LTIP Rights is subject to the approval of Security holders. The issue date of the FY21 LTIP Rights will be a date on and from the date of this Meeting and within 12 months of the date of this Meeting, and is expected to be 10 November 2020 (subject to Security holder approval).

The maximum number of FY21 LTIP Rights to be granted will be calculated by dividing the FY21 LTIP Award opportunity (being a percentage of Mr Owen's total fixed remuneration) by the VWAP of INA Securities for the 30 days prior to 1 October 2020.

Maximum FY21 LTIP Rights to be granted: \$670,000 divided by the VWAP of INA Securities for the 30 days prior to 1 October 2020.

The VWAP of INA Securities for the 30 days prior to 1 October 2020 was \$4.50, therefore 148,889 FY21 LTIP Rights would be granted.

No amount is payable in respect of the grant of the FY21 LTIP Rights.

Vesting of FY21 LTIP Rights

Mr Owen's FY21 LTIP Rights will vest, to the extent that the Performance Conditions set out below are satisfied at the end of the LTI Performance Period (being from 1 October 2020 to 30 September 2023).

The following terms and conditions apply to Mr Owen's FY21 LTIP Rights:

- The FY21 LTIP Rights are subject to a 'malus' policy during the deferral period – this means that some or all of Mr Owen's FY21 LTIP Rights may be forfeited (and he will not receive INA Securities) if any of the circumstances set out in the Rights Plan occur such as fraud or dishonesty, a breach of obligations or material misstatement of Ingenia's financial statements. In addition, the Board has discretion to forfeit some or all Rights in the event of misconduct and behaviour not consistent with Ingenia policy or values.
- After vesting date, and on exercise, Ingenia will cause the relevant number of INA Securities to be issued or transferred to Mr Owen as determined in accordance with the Rights Conversion Formula outlined below.
- No amount is payable in return for the issue or transfer of INA Securities.
- FY21 LTIP Rights will not lapse on cessation of employment and will remain to be tested at the end of the Performance Period, unless termination is for cause or the Board in its discretion determines otherwise, having regard for the facts and circumstances at the time of the cessation of employment, including the proportion of the Performance Period in which Mr Owen was employed with the Company.

FY21 LTIP Performance Conditions

The FY21 LTIP Rights offered are subject to the FY21 LTIP Performance Conditions:

- i. 50% based on a relative Total Security holder Return (**TSR**); and
- ii. 50% based on a Return on Equity (**ROE**).

These conditions will continue to be reviewed annually to ensure they remain fit for purpose and align 'at-risk' compensation with long-term security holder returns.

Relative TSR Performance Condition

TSR is the growth in the security price plus distributions, assuming distributions are reinvested. To minimise the impact of any short-term volatility, Ingenia's TSR will be calculated using the volume-weighted average of the closing security price over the 30 days up to and including the trading day prior to the start and the 30 days up to and including the end trading day of the LTI Performance Period. Performance will be measured relative to the S&P/ASX 200 A-REIT Index total return over 3 years.

The FY21 LTIP Rights will vest on the following basis:

	INA's TSR	% of LTIP Rights that vest
At or Below Threshold	Equal to or less than Index total return + 1%	Nil
Between Threshold and Maximum	Between Index total return + 1% and Index total return +5%	10% plus an additional amount progressively vesting on a straight line basis between Threshold and Maximum
Maximum	Equal to or greater than Index total return + 5%	100%

It is important to note that Mr Owen must outperform the Index with an Ingenia TSR that is at least the Index total return plus 1 percentage point or more to qualify for vesting of FY21 LTIP Rights.

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ROE Performance Condition

ROE is defined as underlying profit divided by the weighted average net assets (excluding the impact of asset revaluations on net assets between the FY21 LTIP Rights issue date and the FY21 LTIP Rights vesting date). The relevant metric is the ROE achieved in FY23.

Vesting levels for FY23 are:

	ROE	% of FY21 LTIP Rights that vest
At or Below Threshold	Less than 6%	Nil
Between Threshold and Maximum	Between 6% and 9%	10% plus an additional amount progressively vesting on a straight-line basis between Threshold and Maximum
Maximum	Equal to or greater than 9%	100%

Rights Conversion Formula

Each vested and exercised FY21 Right and Amended FY20 STIP Right (as relevant) entitles Mr Owen to receive one INA Security plus an additional number of INA Securities calculated on the basis of the distributions that would have been paid in respect of the INA Security during the relevant Period being reinvested in accordance with the following Rights Conversion Formula:

$$\text{INA Security entitlement} \stackrel{\text{def}}{=} E = \left(1 + \frac{\text{dis}_1}{P_{\text{dis}_1}}\right) * \left(1 + \frac{\text{dis}_2}{P_{\text{dis}_2}}\right) * \dots * \left(1 + \frac{\text{dis}_n}{P_{\text{dis}_n}}\right)$$

where:

- E is the entitlement conversion factor;
- $\text{dis}_1, \text{dis}_2, \dots, \text{dis}_n$ are the distributions paid on an INA Security over the Period (with n being the total number of distributions paid over that Period);
- $P_{\text{dis}_1}, P_{\text{dis}_2}, \dots, P_{\text{dis}_n}$ are the end-of-day prices on the date that the distributions are paid (i.e. immediate reinvestment of distributions on the distribution date).

The total number of INA Securities that Mr Owen will receive upon vesting and exercise of the Fixed Remuneration Rights, and/or FY21 STIP Rights and/or the FY21 LTIP Rights and/or the Amended FY20 STIP Rights will be the number of vested and exercised Rights converted multiplied by E , with the result rounded up to the nearest whole number.

Security holder approval – ASX Listing Rules

ASX Listing Rule 10.14 requires Security holder approval before a Director such as Mr Owen can acquire securities or rights to securities under an employee incentive scheme. Approval from Security holders is being sought to grant rights to Mr Owen under the Ingenia Communities Group Rights Plan in respect of the period immediately following this Meeting, with any FY21 Rights and Amended FY20 STIP Rights to be issued within 12 months after the date of this Meeting.

Information required by ASX Listing Rule 10.15

ASX Listing Rule 10.15 requires the following additional information to be disclosed in relation to the Rights to be granted to Mr Owen under the Rights Plan:

i. Number of Rights and Stapled Securities

The number of Rights that may be granted to Mr Owen within 12 months of this Meeting is the sum of the Fixed Remuneration Rights, maximum FY21 STIP Rights, FY21 LTIP Rights and Amended FY20 STIP Rights to be granted. The Fixed Remuneration Rights, maximum FY21 STIP and maximum FY21 LTIP Rights and Amended FY20 STIP Rights to be granted are calculated as follows:

Fixed Remuneration Rights to be granted:	\$35,000 divided by the VWAP of INA Securities for the 30 days prior to 1 October 2020.
Amended FY20 STIP Rights to be granted:	\$411,380 divided by the VWAP of INA Securities for the 30 days prior to 1 October 2020.
Maximum FY21 STIP Rights to be granted:	\$383,333 divided by the VWAP of INA Securities for the 30 days prior to the grant date (expected to be 1 October 2021).
Maximum LTIP Rights to be granted:	\$670,000 divided by the VWAP of INA Securities for the 30 days prior to 1 October 2020.

For example, if the VWAP of INA Securities for the 30 days prior to the relevant date was \$4.50, therefore 7,778 Fixed Remuneration Rights, 91,418 Amended FY20 STIP Rights, and 148,889 FY21 LTIP Rights totalling 333,271 Rights would be granted.

For example, if the VWAP of INA Securities for the 30 days prior to the grant date was \$4.50 and the Board determined that Mr Owen was entitled to the full two-thirds of his FY21 STI Award, then 85,186 FY21 STIP Rights would be granted.

After the grant of Rights, the number of Stapled Securities that Mr Owen may receive from the end of the vesting period on the exercise date will be determined having regard to the satisfaction of the relevant Conditions and Rights Conversion Formula. The maximum period within which Rights can be exercised is 15 years from the date of grant. Rights cannot be exercised unless they have vested.

The Board retains discretion on whether entitlements to Securities will be settled via the issue of INA Securities or via the payment of cash. On vesting of the Rights, the Board will decide on or around the vesting day whether entitlements to Securities will be Equity Settled or Cash Settled.

ii. Price for each Right (and the price for each INA Security that vests)

No payment for the Rights or upon vesting of the Rights, or upon exercise of the Rights is required by Mr Owen.

iii. Total number of securities issued to Mr Owen under the Rights Plan

52,119 for nil cash consideration.

iv. Persons who are entitled to participate in the Rights Plan

The eligible participants under the Rights Plan are employees of the Group (including Directors) or others who are determined by the Board to be eligible participants for the purposes of the Rights Plan.

Current participants in the Rights Plan are Mr Simon Owen (Managing Director and Chief Executive Officer) and senior executives in the business. The granting of the Rights to senior executives other than Mr Owen did not require Security holder approval. The details of grants to Mr Owen and other KMP executives are provided in the Company's Remuneration Report contained in the 2020 Annual Report.

The Board may agree that other nominated members of the executive management team may participate in the Rights Plan for the year ended 30 June 2021 in terms of both the deferred equity STI and LTI.

The directors, being Mr Hazel, Mr Morrison, Ms Heyworth, Ms Downes, Mr Hayes and including Mr Owen, are those referred to in ASX Listing Rule 10.14 who are currently entitled to participate in the Rights Plan. Mr Owen is the only person referred to in ASX Listing Rule 10.14 who currently participates in the Rights Plan. As nominees of Sun Communities neither Mr Shiffman nor Mr McLaren (as Alternate Director) are remunerated by the Company, therefore they do not participate in the Rights Plan.

v. Terms of any related loan

There is no loan provided in relation to the acquisition of the Rights by Mr Owen.

vi. Issue date of Rights

The Rights will be issued to Mr Owen no earlier than immediately following this Meeting and no later than 12 months after this Meeting, on the conditions described in the Explanatory Notes.

vii. Required statement

Details of any securities issued under the Rights Plan will be published in the Group's annual report relating to the period in which those securities were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Rights Plan after the resolutions in Item 5.1 and 5.2 are passed and who are not named in this Notice of Meeting will not participate in the Rights Plan until approval is obtained under Listing Rule 10.14.

Voting exclusion

The Company will disregard any votes cast in favour of the proposed Items 5.1 and 5.2 by or on behalf of any Director of the Company (except one who is ineligible to participate in the Rights Plan), including Mr Owen and any associate of any such persons. However, the Company need not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b. it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, no KMP of the Company or a Closely Related Party or Associate of such a KMP may vote as a proxy on the proposed Items 5.1 or 5.2 unless:

- a. the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 5.1 or 5.2 (as applicable); or
- b. the person is the Chairman and votes as a proxy appointed by writing that authorises the Chairman to vote on the proposed Item 5.1 or 5.2 (as applicable) even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

Directors' Recommendation

The Board unanimously (other than Mr Owen) recommends that Security holders vote in favour of the resolutions in Item 5.1 and 5.2.

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GLOSSARY

Annual General Meeting, Meetings or Meeting means the meetings convened by the Notice.

Associate has the meaning given to that term in sections 10 and 11 and sections 13 to 17 of the *Corporations Act*.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules means the Listing Rules of the ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX.

ASX Principles means the ASX Corporate Governance Principles and Recommendations (3rd edition).

Board means the current Board of directors of the Company.

Closely Related Party has the meaning as defined in section 9 of the *Corporations Act*.

Company means Ingenia Communities Holdings Limited (ACN 154 444 925).

Conditions means one or more conditions contingent on performance, service, or time elapsed since grant which must be satisfied before a Right vests, as determined by the Board.

Constitution means the Constitution of the Company, the Trust, or the Fund as the context requires.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current Directors of the Company.

Entitlement Time means 7.00 pm (Sydney time) on Sunday, 8 November 2020.

Explanatory Notes means the Explanatory Notes accompanying the Notice.

Fund means Ingenia Communities Fund (ARSN 107 459 576).

INA means the Ingenia Communities Group (ASX code: INA), a stapled vehicle made up of a share in Ingenia Communities Holdings Limited, a unit in Ingenia Communities Management Trust and a unit in Ingenia Communities Fund.

INA Security means a Stapled Security in INA.

Index means S&P/ASX 200 A-REIT index total return.

Ingenia or Group means the Ingenia Communities Group (ASX code: INA), a stapled vehicle made up of a share in Ingenia Communities Holdings Limited, a unit in Ingenia Communities Management Trust and a unit in Ingenia Communities Fund.

Items means the resolutions set out in the Notice, or any one of them, as the context requires.

Key Management Personnel or KMP has the meaning as defined in section 9 of the *Corporations Act*.

Key Performance Indicators or KPIs means performance conditions applicable to the vesting of incentive plan awards.

Notice or Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

Proxy Deadline means 11.30am (Sydney time) on Sunday 8 November 2020.

Proxy Form means the proxy form accompanying the Notice.

Related Body Corporate has the meaning set out in section 50 of the *Corporations Act*.

Remuneration Report means the remuneration report set out in the Director's Report section of the Company's annual financial report for the year ended 30 June 2020.

Responsible Entity means Ingenia Communities RE Limited (ACN 154 464 990).

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Rights mean fixed remuneration rights, short-term incentive rights or long-term incentive rights to acquire a Security issued under the Rights Plan.

Rights Plan means the Ingenia Communities Group Rights Plan adopted by the Board on 23 May 2014 and amended on 4 May 2016.

Share means a fully paid ordinary share in the capital of the Company.

Security holder means a holder of a Stapled Security.

Stapled Security means one stapled security comprised of a Share and Unit in the Fund and Unit in the Trust.

Trust means Ingenia Communities Management Trust (ARSN 122 928 410).

Unit means a unit in the Trust or Fund.

Unitholder means a holder of a unit in the Trust or Fund.

VWAP means the 30-day volume-weighted average price of INA Securities.



Ingenia Communities Group
Level 9, 115 Pitt Street, Sydney, NSW 2000
T. 1300 132 946
E. investor@ingeniacommunities.com.au