



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-third annual general meeting of members of Cedar Woods Properties Limited will be held virtually at 10.00 am (Perth time) on 4th November 2020 to conduct the following business and to consider, and if thought fit, pass the following resolutions.

To give Shareholders a reasonable opportunity to participate, Shareholders may attend the Meeting virtually via our online Meeting platform (Lumi) at <https://web.lumiagm.com/394001053> or via the appointment of a proxy.

Lumi enables Shareholders to:

- see the Meeting presentation materials and watch the Meeting live;
- vote online during the meeting; and
- ask questions and make comments online during the Meeting.

Voting on all resolutions will be conducted by a poll.

Further information on how to participate virtually is set out in this Notice and the Virtual Meeting Guide.

Shareholders may also cast their votes at the Meeting by appointing a proxy online at www.investorvote.com.au no later than 10.00 am (Perth time) on 2 November 2020.

Certain terms used in this Notice have the meaning given to them in section 7 of the accompanying Explanatory Memorandum.

AGENDA

1. Ordinary Business

To receive and consider the financial statements of the Company for the year ended 30 June 2020 and the accompanying directors' report, directors' declaration and auditor's report.

2. Special Resolution

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

Adoption of new Constitution

Special Resolution 1

That the document titled 'Constitution' tabled at the Meeting and signed by the Chairman for the purposes of identification, be adopted as the constitution of the Company in place of the current Constitution, with effect from the conclusion of the Meeting.

3. Ordinary Resolution

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

Re-election of retiring director

Ordinary Resolution 1

That Mrs Jane M Muirsmith FCA, GAICD, having retired in accordance with the Company's Constitution and, being eligible, offering herself for re-election, be re-elected as a director of the Company.

4. Ordinary Resolution

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

Remuneration report

Ordinary Resolution 2

That the remuneration report that forms part of the Company's directors' report for the financial year ended 30 June 2020, be adopted.

Note: The remuneration report is set out in the directors' report on pages 39 – 60 of the Company's 2020 annual report. Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

5. Ordinary Resolution

To consider, and if thought fit, to pass with or without amendment, the following resolution:

Approval of issue of Zero-Price Options (ZEPOs) under FY20 Deferred STI Plan to Mr Nathan Blackburne or his nominee

Ordinary Resolution 3

That, for the purposes of Listing Rule 10.14 and for all other purposes, shareholders of the Company authorise and approve the issue of 16,232 Zero-Price Options under the FY20 DSTI Plan by the Company to Mr Nathan Blackburne, the Company's Managing Director, or his nominee on the terms and conditions set out in the Explanatory Memorandum.

6. Ordinary Resolution

To consider, and if thought fit, to pass with or without amendment, the following resolution:

Approval of issue of Performance Rights under FY21 LTI Plan to Mr Nathan Blackburne or his nominee

Ordinary Resolution 4

That, for the purposes of Listing Rule 10.14 and for all other purposes, shareholders of the Company authorise and approve the issue of 127,666 Performance Rights under the FY21 LTI Plan by the Company to Mr Nathan Blackburne, the Company's Managing Director, or his nominee on the terms and conditions set out in the Explanatory Memorandum.

Voting exclusion statements:

Ordinary Resolution 2

In accordance with the Corporations Act, the Company will disregard any votes cast on this resolution:

- by or on behalf of either a member of the Company's Key Management Personnel whose remuneration details are included in the remuneration report the subject of this resolution, or their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- by a proxy if that proxy is a member of the Company's Key Management Personnel at the date of the Meeting or a Closely Related Party of that member.

However, in each case above, votes will not be disregarded if they are cast as a proxy for a person who is entitled to vote on this resolution:

- in accordance with a direction as to how to vote on the Proxy Form; or
- by the Chairman pursuant to an express authorisation to exercise the proxy as the Chairman decides even if this resolution is connected with the remuneration of the Company's Key Management Personnel.

If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on Ordinary Resolution 2 on the Proxy Form, you will be expressly authorising the Chairman to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote undirected proxies in favour of Ordinary Resolution 2.

Ordinary Resolution 3

A vote must not be cast on this resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this resolution.

However, a person described above may cast a vote on this resolution if:

- the person is the Chairman; and
- the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

For clarity and subject to compliance with law and the above prohibitions, Key Management Personnel who are not entitled to participate in the FY20 DSTI Plan are entitled to vote on this resolution.

If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on Ordinary Resolution 3 on the Proxy Form, you will be expressly authorising the Chairman to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the AGM intends to vote undirected proxies in favour of this Ordinary Resolution 3.

For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Ordinary Resolution 3 by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the FY20 DSTI Plan (or any of their nominees); or
- an associate of that person (or persons).

However, this does not apply to a vote cast in favour of Ordinary Resolution 3 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution 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 confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Ordinary Resolution 4

A vote must not be cast on this resolution by a person appointed as a proxy if the proxy is either a member of the Key Management Personnel for the Company or any of their Closely Related Parties and the appointment does not specify the way the proxy is to vote on this resolution.

However, a person described above may cast a vote on this resolution if:

- the person is the Chairman; and
- the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

For clarity and subject to compliance with law and the above prohibitions, Key Management Personnel who are not entitled to participate in the FY21 LTI Plan are entitled to vote on this resolution.

If you appoint the Chairman as your proxy, and you do not direct your proxy how to vote on Ordinary Resolution 4 on the Proxy Form, you will be expressly authorising the Chairman to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chairman of the AGM intends to vote undirected proxies in favour of this Ordinary Resolution 4.

For the purposes of the Listing Rules, the Company will disregard any votes cast in favour of Ordinary Resolution 4 by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the FY21 LTI Plan (or any of their nominees); or
- an associate of that person (or persons).

However, this does not apply to a vote cast in favour of Ordinary Resolution 4 by:

- a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution 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 confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The attached Explanatory Memorandum forms part of this Notice. The memorandum is provided to assist shareholders in understanding the background to and the legal and other implications of this Notice and the reason for the resolutions proposed.

By Order of the Board



P S Freedman
Company Secretary

30 September 2020

VIRTUAL MEETING

The Meeting will be held entirely virtually and there will be no physical venue for Shareholders to attend. Shareholders may participate in the Meeting online via the Lumi platform. Even though the Meeting is being held entirely online, you may still participate by lodging a proxy vote prior to the Meeting.

VOTING BY PROXY

- (a) Each Shareholder has the right to appoint a proxy to attend and vote for the Shareholder at this Meeting.
 - (b) To enable a Shareholder to divide their voting rights, a Shareholder entitled to cast two or more votes at this meeting may appoint two proxies. Where two proxies are appointed, the Proxy Form should specify the proportion, or the number of votes that each proxy may exercise, and if it does not do so each proxy may exercise half of the votes.
 - (c) A Shareholder can appoint any other person to be their proxy. A proxy need not be a Shareholder. The proxy appointed can be described in the Proxy Form by an office held, for example “the Chair of the Meeting”.
 - (d) In the case of Shareholders who are individuals, the Proxy Form must be signed or otherwise authenticated:
 - i. if the Shares are held by one individual, by that Shareholder;
 - ii. if the Shares are held in joint names, by any one of them.
 - (e) In the case of Shareholders who are companies, the Proxy Form must be signed or authenticated:
 - i. if it has a sole director who is also a sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
 - ii. in the case of any other company, by either two directors or a director and company secretary.
- The use of the common seal of the company, in addition to those required signatures, is optional.

- (f) If the person signing or otherwise authenticating the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign or authenticate the Proxy Form, the power of attorney or other authorisation (or a certified copy of it) as well as the Proxy Form, must be received by the Company by the time and at the place in (i) below.
- (g) Section 250BB of the Corporations Act restricts voting on a particular resolution at the Meeting by the Chairman or other holder of a directed proxy. If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution, then:
 - (i) A proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
 - (ii) If the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
 - (iii) If the proxy is the chair of the meeting, the proxy must vote on a poll and must vote as directed; and
 - (iv) If the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

If a proxy is also a member the above provisions do not affect the way that the person can cast any votes they hold as a member.

- (h) Section 250BC of the Corporations Act provides that if:
- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
 - (ii) the appointed proxy is not the Chairman; and
 - (iii) at the Meeting a poll is duly demanded on the resolution; and
 - (iv) either:
 - A. if a record of attendance is made for the Meeting – the proxy is not recorded as attending; or
 - B. the proxy does not vote on the resolution,
- the Chairman is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution.
- (i) A Proxy Form accompanies this Notice. To be effective, Proxy Forms (duly completed and signed) may be lodged:

Online – www.investorvote.com.au

By post to – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 or within the supplied reply paid envelope.

By hand to – Cedar Woods Properties Limited, Ground Floor, 50 Colin Street, West Perth WA 6005

By Fax – 1800 783 447 (Within Australia)
+ 61 3 9473 2555 (Outside Australia)

no later than 10.00 am (Perth time) on 2 November 2020.

Online Voting – Shareholders may submit their proxy instructions electronically to the Company's Share Registrar, Computershare Investor Services Pty Ltd, by visiting www.investorvote.com.au and following the instructions given there. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

For intermediary online subscribers only (custodians) – www.intermediaryonline.com

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Directors have determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 4.00 pm (Perth time) on 2 November 2020.

On a poll each Shareholder present in person or by proxy has one vote for each Share.

PARTICIPATING AT THE MEETING

You will be able to participate in the Meeting online using your computer, mobile phone or device. You can participate in the Meeting by entering this link in your browser:

<https://web.lumiagm.com/394001053>

Or, by following the link that will be made available on the Company's website at:

<https://www.cedarwoods.com.au/Investor-Centre/agm>

Further information about how to log in to the Lumi platform, to register for the Meeting, and to participate in the Meeting is available in the Virtual Meeting Guide, which you can access online on the Company's website at:

<https://www.cedarwoods.com.au/Investor-Centre/agm>

ASKING QUESTIONS – BEFORE AND AT THE MEETING

You can submit a question or comment prior to the Meeting at www.investorvote.com.au or by email to email@cedarwoods.com.au

You may also submit your questions and comments online during the Meeting via the Lumi platform.

The Chairman will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions and comments raised. Please note that individual responses will not be sent to Shareholders.

VOTING AT THE MEETING

Voting on all items of business will be conducted on a poll. You may vote at the Meeting in one of two ways:

- live and online during the Meeting using the Lumi platform at <https://web.lumiagm.com/394001053>; or
- in advance of the Meeting, by appointing a proxy online at www.investorvote.com.au by 10.00 am (Perth time) on 2 November 2020.

The Chairman will open the poll at the beginning of the Meeting and the poll will remain open until the close of the Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening a meeting of members of the Company to be held virtually on 4 November 2020 commencing at 10.00 am (Perth time). This memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolutions proposed. Certain terms used in this Explanatory Memorandum are defined in Section 7.

1. ORDINARY BUSINESS ITEM 1

As required by section 317 of the Corporations Act, the financial statements for the year ended 30th June 2020 and the accompanying directors' report, directors' declaration and auditor's report will be laid before the meeting. The financial statements and reports are contained in the Company's 2020 Annual Report. *Neither the Corporations Act nor the Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the reports at the AGM.*

2. SPECIAL RESOLUTION

(a) Special Resolution 1 – Adoption of new Constitution

That the document titled 'Constitution' tabled at the Meeting and signed by the Chairman for the purposes of identification, be adopted as the constitution of the Company in place of the current Constitution, with effect from the conclusion of the Meeting.

In accordance with section 136(2) of the Corporations Act, the Company may replace its Constitution by special resolution of its Shareholders. The Company's current Constitution was adopted by the Company following receipt of Shareholder approval at the Company's 2000 AGM. It is proposed to adopt a new constitution as there have been a number of developments in law, corporate governance principles and general corporate and commercial practice for ASX listed companies since that time. The New Constitution reflects current market practice and terminology. Many of the proposed changes are administrative or relatively minor in nature. The material differences between the current Constitution and the New Constitution are outlined below.

Prior to the Meeting, a copy of the New Constitution will be available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company on (08) 9480 1500, or by email to email@cedarwoods.com.au. A complete signed copy of the New Constitution will be tabled at the Meeting. Shareholders are invited to contact the Company if they have any queries or concerns about the New Constitution.

This resolution is a special resolution requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed. If Shareholders vote in favour of this resolution, the New Constitution will operate with effect from the conclusion of the Meeting on the date on which the special resolution is passed and will not affect the validity of acts or appointments under the current Constitution.

(b) Summary of material proposed changes

Material change	Summary
Restricted securities	On 1 December 2019, the ASX introduced a two-tier escrow regime where ASX can require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities advising them on those restrictions. Listing Rule 15.12 requires the constitution of the listed entities to contain

	certain provisions in relation to restricted securities for so long as the entity has any restricted securities on issue. The New Constitution contains provisions which reflect the current drafting of Listing Rule 15.12.
Sale of non-marketable parcels	The New Constitution provides greater clarity in relation to the process to be followed regarding the sale of non-marketable parcels. The non-marketable parcel sale process in the New Constitution is more closely aligned with the existing Listing Rule requirements.
Notice and conduct of meetings	The notice requirements for general meetings and the conduct of general meetings have been set out more clearly and succinctly in the New Constitution. The New Constitution provides that, unless the Corporations Act provides otherwise, no person may move any amendment to a proposed resolution the terms of which are set out in the notice calling the meeting or a document which relates to such a resolution except with the approval of the Directors or the chair. The current Constitution is silent on this. The New Constitution also provides that if any technical difficulty occurs which precludes a member from having a reasonable opportunity to participate in a general meeting at two or more places, the chair may either adjourn the meeting until the technology gives members a reasonable opportunity to participate or continue the meeting. No member may object to the meeting being held or continuing in that case. The current Constitution is silent on this. Further, the New Constitution includes more detailed provisions which govern the postponement or cancellation of general meetings. Where there is a change of venue or postponement or cancellation of a general meeting, the Board must state the reason for cancellation or postponement and provide notice of this to shareholders using one of the prescribed methods (for example, by way of an ASX announcement).
Proxies	The New Constitution clarifies how proxies that have been lodged electronically may be authenticated. The New Constitution also includes provisions that allow the Company to seek clarification and, when authorised, amend proxy instructions received from a shareholder. The current Constitution does not allow for this.
Direct voting	The New Constitution permits the Company to enable shareholders to vote directly on resolutions considered at a general meeting or class meeting by submitting their vote electronically or by other means at that general meeting. The Directors will have absolute discretion as to how such direct votes may occur. The current Constitution does not allow for direct voting.
Directors	There are a number of differences between the current Constitution and New Constitution in relation to the provisions relating to Directors. Under the current Constitution, any Director appointed by the Board automatically retires at the next AGM and is eligible for re-election by that AGM and is not taken into account in deciding the rotation or retirement of Directors at that AGM. The current Constitution requires that, at each AGM: • one third (or if that is not a whole number, the whole number nearest to one third) of the Directors who are not: • appointed, and required to retire automatically, in accordance with the above requirement; • the Managing Director (or if there is more than one, the Managing Director nominated by the Board to be exempt from

	retirement); or • alternate Directors; and • any Director who would, if that Director remained in office until the next annual general meeting, have held that office for more than three years, must retire from office and are eligible for re-election. The New Constitution simplifies the Director rotation requirements and provides, consistent with the Listing Rules, that Directors must not hold office without re-election for more than three years or past the third AGM following the Director's appointment (whichever is longer).
Removal of Directors	The New Constitution is more comprehensive on the procedure for the removal of Directors. While the requirements are set out in the Corporations Act, for completeness, the New Constitution contains corresponding provisions. Compared to the current Constitution, the New Constitution permits a Director to be absent from Board meetings without a leave of absence for a longer period of time before they automatically cease to be a Director. Under the New Constitution, a person ceases to be a Director if the person is absent from Board meetings for a continuous period of six consecutive months without leave of absence from the Directors and a majority of the other Directors have not, within 10 business days of having been given a notice by the secretary giving details of the absence, resolved that a leave of absence be granted. In particular, the New Constitution provides that a person will not be deemed to cease as a Director if they are absent from the office of director by virtue of a Board approved leave of absence. The current Constitution provides that a person automatically ceases to be a Director if the Director fails to attend Board meetings for a continuous period of three months without leave of absence from the Board.
Dividends	Following amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. The New Constitution will give the Directors the flexibility to resolve to pay a dividend out of any available account, to the extent permitted by law. Further, the New Constitution provides that, if a dividend is paid but remains unclaimed for more than 11 months, the Company can, to the extent permitted by law, reinvest that amount, after deducting reasonable expenses, into shares in the Company on behalf of and in the name of the shareholder entitled to the dividend. The current Constitution provides that any paid but unclaimed dividends can be invested for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed money. Going forward, the Company is proposing to only pay dividend payments to shareholders with a registered address in Australia or New Zealand into a nominated Australian bank account or financial institution account by direct credit. This would mean that, for future dividends, the Company would no longer pay dividends by cheque to shareholders with a registered address in Australia or New Zealand.
Indemnities and insurance	The New Constitution provides greater clarity in relation to the indemnity and insurance provisions relating to officers of the Company. For example, the circumstances in which the Company will indemnify officers, the matters that officers can be insured against and the circumstances in which these arrangements remain enforceable post-resignation of the officer are more

particularised in the New Constitution.

General

References to applicable legislation and rules have been updated.

Relevant definitions have been updated to reflect current terminology and the various changes to the Corporations Act and Listing Rules since the current Constitution was adopted. Where possible, the New Constitution relies on terms defined in the Corporations Act and Listing Rules.

(c) Directors' recommendation on Special Resolution 1

The Directors unanimously support the adoption of the New Constitution and recommend Shareholders vote in favour of Special Resolution 1.

3. ORDINARY BUSINESS ITEM 2

(a) Ordinary Resolution 1 – Re-election of retiring director

That Mrs Jane M Muirsmith FCA, GAICD, having retired in accordance with the Company's constitution and, being eligible, offering herself for re-election, be re-elected as a director of the Company.

Mrs Muirsmith is:

- Chair of the Audit & Risk Management Committee,
- A member of the Remuneration & Nominations Committee
- A non-executive director

Mrs Muirsmith is an accomplished digital and marketing strategist, having held several executive positions in Sydney, Melbourne, Singapore and New York.

She is Managing Director of Lenox Hill, a digital strategy and advisory firm and is a non-executive director of Australian Finance Group Limited (AFG), the Telethon Kids Institute and Chair of Healthdirect Australia.

Mrs Muirsmith is a Graduate of the Australian Institute of Company Directors and a Fellow of Chartered Accountants in Australia and New Zealand, with an audit and accounting background together with deep expertise in digital transformation. Mrs Muirsmith is a member of the Ambassadorial Council UWA Business School and is a former President of the Women's Advisory Council to the WA Government.

Mrs Muirsmith is a non-executive, independent Director and has served on the board for three years.

Mrs Muirsmith has a relevant interest in 10,734 Shares, as defined by sections 608 and 609 of the Corporations Act.

(b) Directors' recommendation on Ordinary Resolution 1

The Directors (other than Mrs Muirsmith) unanimously support the re-election of Mrs J M Muirsmith under, and recommend Shareholders vote in favour of, Ordinary Resolution 1.

4. ORDINARY BUSINESS ITEM 3

(a) Ordinary Resolution 2 – Remuneration report

Shareholders are asked to adopt the Company's remuneration report. The remuneration report is set out in the directors' report on pages 39 – 60 of the Company's 2020 annual report. The remuneration report:

- Describes the policies behind, and structure of, the remuneration arrangements of the Company and the link between the remuneration of directors and executives and the Company's performance.
- Sets out the remuneration arrangements in place for each director and for the other Key Management Personnel of the Company.
- Explains the differences between the remuneration for non-executive directors and executives, including the Managing Director.

A reasonable opportunity for discussion of the remuneration report will be provided at the Meeting. The vote on this resolution is advisory only, and does not bind the Directors or the Company.

Under the Corporations Act if:

- (a) at an AGM ("**the later AGM**") at least 25% of the votes cast on a resolution to adopt the remuneration report are against the adoption of the remuneration report; and
- (b) at least 25% of the votes cast at the immediately preceding AGM ("**the earlier AGM**") on a resolution to adopt the remuneration report were against the adoption of the remuneration report; and
- (c) no "spill resolution" (see below) was put at the earlier AGM,

then a "spill resolution" must be put to shareholders at the later AGM that:

- another general meeting ("**the Spill Meeting**") be held within 90 days; and
- all Directors of the Company who:
 - were Directors of the Company when the resolution by the Directors to make the directors' report considered at the later AGM was passed; and
 - are not a Managing Director of the Company who may continue to hold office indefinitely without being re-elected to the office in accordance with the Listing Rules,
 cease to hold office immediately before the end of the Spill Meeting; and
- resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting must be put to the vote at the Spill Meeting.

At the Company's AGM held on 6 November 2019, less than 25% of the votes cast in respect of the adoption of the remuneration report were cast against the adoption of the remuneration report.

(b) Board commentary in relation to Ordinary Resolution 2

The Chair of the Remuneration & Nominations Committee has provided a letter to Shareholders setting out the key highlights in relation to remuneration matters for FY2020. This is included on page 39 of the Company's 2020 annual report.

Progress with the remuneration framework and further details on the Director and executive remuneration arrangements and the remuneration outcomes for FY2020 are set out in the remuneration report on pages 39 – 60 of the annual report.

At last year's Annual General Meeting, less than 8% of votes cast in respect of the adoption of the remuneration report were cast against the adoption of the remuneration report.

Members of the Company's Key Management Personnel (and their Closely Related Parties) will be prohibited from voting on Ordinary Resolution 2 at the Meeting, in accordance with the voting prohibitions detailed in the Notice of Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of Ordinary Resolution 2.

5. ORDINARY BUSINESS ITEM 4

(a) Ordinary Resolution 3 – Approval of the issue of 16,232 Zero-Price Options (ZEPOs) under the FY20 Deferred STI Plan to Mr Nathan Blackburne or his nominee

BACKGROUND

As set out in the remuneration report, the Board reviews on an annual basis the remuneration of all executives. In doing so, the Board has regard to a range of factors including aligning remuneration with the position, responsibilities and performance within the Company of the individual and importantly within the acceptable range of market practice.

The Company's objective is to position remuneration between the median and upper quartile of its direct industry peers and in doing so the Company seeks assistance from external remuneration consultants. Remuneration is generally structured as a fixed component, short term incentive and long term incentive.

As noted in the Company's notice convening its 2019 AGM, and consistent with what is becoming common market practice, the Board resolved that, from the 2020 financial year, the Managing Director's short term incentive (**STI**) component of his remuneration will be structured as part cash and part deferred into an equity based plan, rather than the STI being paid wholly in cash. Accordingly, the Board determined to split the Managing Director's STI for the 2020 financial year so that 45% of the approved STI would be paid in cash and 55% would be deferred by way of the issue of zero-price options (**ZEPOs**). The ZEPOs are proposed to be issued under the Company's Deferred Short Term Incentive Plan for FY20.

The objective of the FY20 DSTI Plan is to allow the Board to grant ZEPOs to executives of the Company to assist with:

- attracting, motivating and retaining executives;
- delivering rewards to executives for individual and Company performance;
- allowing executives the opportunity to become Shareholders;
- enabling short term incentives to be settled by way of Shares in the Company; and
- aligning the interests of executives with those of Shareholders.

The FY20 DSTI Plan operates by way of a one-year performance period and a two-year service period, both of which commenced on 1 July 2019.

At the completion of the 2020 financial year the Board assessed the performance of the Company for the year ended 30 June 2020 and awarded the Managing Director a total STI of \$168,520, of which 45% (or \$75,834) is awarded in cash and 55% (or \$92,686) is deferred and awarded by way of the proposed grant of 16,232 ZEPOs, which will vest at the end of the two-year service period on 30 June 2021, subject to the rules of the FY20 DSTI Plan and shareholder approval. The number of ZEPOs awarded was based on dividing the STI amount (being \$92,686) by the 5-day volume weighted average price of the Company's shares up to and including 5 July 2019.

The ZEPOs are zero exercise price options meaning that Mr Blackburne or his nominee is not required to pay any exercise price to the Company on the exercise of a ZEPO.

In addition, subject to certain exemptions in the FY20 DSTI Plan, it will be a requirement that, in order for Mr Blackburne's 16,232 ZEPOs to vest, his employment with the Company is not terminated by his resigning or by the Company terminating for cause or underperformance prior to 30 June 2021. If Mr Blackburne's employment terminates for any other reason, then the vesting of the ZEPOs will still be assessed against the service condition attaching to them, unless the Board determines otherwise.

Upon a ZEPO vesting, it may be exercised at any time until 30 June 2023. If a ZEPO is exercised following its vesting, and subject to any adjustments in accordance with the FY20 DSTI Plan Rules (e.g. upon a reorganisation of capital), one Share will be automatically issued to Mr Blackburne or his nominee (unless the Board exercises its discretion below to pay a cash equivalent).

While the Board's current intention is that Mr Blackburne or his nominee will be issued with a Share upon a ZEPO vesting, the Board retains the discretion to pay the cash equivalent of a ZEPO (being the gross value of the Shares that would have been issued to Mr Blackburne if the Board chose to settle the ZEPOs in Shares) in lieu of issuing such Shares.

(a) Regulatory requirements

Ordinary Resolution 3 seeks Shareholder approval under Listing Rule 10.14 of the deferred short term incentive component of Mr Blackburne's remuneration, being the issue of 16,232 ZEPOs under the FY20 DSTI Plan for the 2020 financial year.

Listing Rule 10.14

The Company is proposing to issue short term incentive options to Mr Blackburne under the FY20 DSTI Plan, as set out above (**STI Issue**).

Listing Rule 10.14 provides that, subject to certain exceptions, a company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company (10.14.1);
- an associate of a director of the company (10.14.2); or
- a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (10.14.3),

unless it obtains the approval of its shareholders.

The STI Issue falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

Ordinary Resolution 3 seeks the required Shareholder approval for the STI Issue under and for the purposes of Listing Rule 10.14.

Shareholders should note that, if Ordinary Resolution 3 is passed, the Company will be able to proceed with the STI Issue and approval is not required under Listing Rule 7.1 and the issue of securities pursuant to Ordinary Resolution 3 will not be included in the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not pass Ordinary Resolution 3, the Company will not be able to proceed with the STI Issue and therefore, in order to meet the Company's contractual obligations under Mr Blackburne's contract, it will be necessary for the Board and Mr Blackburne to agree an alternative remuneration structure to provide Mr Blackburne with his contractual entitlement, which could be an alternative equity proposal to be put to Shareholders and/or an amount of cash.

For the purposes of Listing Rule 10.14, the following information is provided in relation to the issue of 16,232 ZEPOs pursuant to Ordinary Resolution 3:

The name of the person

The recipient of the ZEPOs will be Mr Nathan Blackburne or his nominee.

Category the person falls within and why

The issue of the ZEPOs falls within Listing Rule 10.14.1 because Mr Nathan Blackburne is the Company's Managing Director.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

The maximum number of Securities that may be issued to Mr Nathan Blackburne, or his nominee, is 16,232 ZEPOs.

Details of Mr Blackburne's current remuneration package

Mr Blackburne's FY21 remuneration comprises:

- Fixed remuneration of \$766,000 per annum
- The ability to receive up to \$631,950 in the form of short term incentives (45% in cash, 55% in ZEPOs)
- The ability to receive up to \$689,400 in the form of long term incentives.

For further information, refer page 57 of the Company's 2020 annual report.

The number of securities previously issued to Mr Blackburne under the scheme and the average acquisition price (if any) paid by Mr Blackburne for those securities

Nil

Summary of the material terms of the securities, an explanation of why that type of security is being used and the value the Company attributes to that security and its basis

These details are set out in the "Background" section above and in "The material terms of the scheme" section below.

The date or dates on or by which the Company will issue the securities

If Shareholders pass Ordinary Resolution 3, the ZEPOs will be issued to Mr Nathan Blackburne or his nominee as soon as practicable after the date of the Meeting and in any event within 3 years of the Meeting. It is anticipated that all the ZEPOs will be issued on the same date.

The price at which the Company will issue the securities

No price will be paid for the ZEPOs upon their issue, or for the Shares upon the exercise of any ZEPO.

The material terms of the scheme

The material terms attaching to the ZEPOs are set out in the "Background" section above.

Further, pursuant to the FY20 DSTI Plan Rules:

- The ZEPOs are non-transferable (unless the Board determines otherwise), carry no right to vote or receive dividends or any of the other rights of Shareholders and will (subject to the Board's overriding discretion) lapse if they do not vest.
- Vested or unvested ZEPOs may be clawed back under the Company's clawback policy (**Clawback Policy**). The underlying principle of the Clawback Policy is that an employee should not receive performance based remuneration if the Board considers that such remuneration would be an "inappropriate benefit".

Under the Clawback Policy the Board, in its absolute discretion, may take such clawback actions as it deems necessary or appropriate to address events that give rise to an "inappropriate benefit". Such actions may include:

- cancelling or requiring the forfeiture of some or all of the employee's unvested or deferred short term incentives;
- adjusting the employee's future performance based remuneration;
- recovering a short term incentive or long term incentive award previously paid to the employee; and
- any other action the Board considers appropriate.
- Upon the exercise of a ZEPO, the Company must issue or procure the transfer of the relevant number of Shares (or applicable cash amount) to the holder.
- If the holder ceases to be an employee of the Company then:
 - any of their unvested ZEPOs will vest as follows:
 - where the ZEPOs have performance conditions attached to them, those ZEPOs will be tested as at the date of cessation of employment and vest to the extent that the conditions have been satisfied or deemed satisfied in accordance with the terms of the FY20 DSTI

Plan Rules; and/or

- where the ZEPOs have service conditions attached to them, a pro rata number (based on the portion of the period that has elapsed at the time of cessation of employment) of those ZEPOs will vest; and
- any vested ZEPOs will not lapse on cessation of employment but those ZEPOs must be exercised within 120 days of such cessation.
- The above rules that apply upon cessation of employment are subject to the following rules:
 - if the holder resigns, any unvested ZEPOs will lapse immediately (subject to the Board's overriding discretion set out below) and any ZEPOs which have vested but remain unexercised must be exercised within 120 days of cessation of employment; or
 - if the holder is terminated for cause or poor performance, any ZEPOs which have not been exercised at the time the termination notice is given will lapse immediately (subject to the Board's overriding discretion set out below); and
- If the holder ceases to be an employee for any reason, the Board may (in respect of any ZEPOs which have not been exercised) determine any treatment it considers to be appropriate in the circumstances. In making the determination, the Board may have regard to any matter the Board considers relevant, including the proportion of the performance period that has elapsed at the time of cessation of employment and the degree to which the applicable conditions have been (or are estimated to have been) satisfied, and the Company's obligations under the Corporations Act and Listing Rules, including any requirements for Shareholder approval;
- On certain change of control transactions occurring in relation to the Company (such as a person acquiring more than 50% of the voting power in the Company), unvested ZEPOs will, unless the Board determines otherwise, vest in proportion to the amount of the performance period that has elapsed and any estimate of any performance conditions being satisfied.
- There can be an adjustment of ZEPOs in certain circumstances, including in the event of any capital reorganisation (such as a subdivision or consolidation) or pro-rata or bonus issue. Subject to the following two paragraphs, the number of ZEPOs to which each holder is entitled, or the exercise price, may be adjusted in the manner determined by the Board. It is intended that the Board would exercise its discretion in this regard to ensure that holders do not enjoy a windfall gain and do not suffer a material detriment as a result of any corporate action.
- If there is a reorganisation of capital, the rights of each holder who has been allocated ZEPOs will be adjusted in the manner required by the Listing Rules applying at the time of the reorganisation.
- Where the Company issues new securities:
 - a holder of ZEPOs will not be entitled to participate in the issue of new securities under a rights issue or bonus issue or other form of pro-rata issue in relation to the ZEPOs held by them until his or her ZEPOs have vested and been exercised; and
 - the exercise price, or number of securities over which the ZEPOs may be exercised, will, in the case of a pro-rata issue, be adjusted in accordance with Listing Rule 6.22.2 (or any replacement rule) and, in the case of a bonus issue, be adjusted in accordance with Listing Rule 6.22.3 (or any replacement rule).
- The Board administers the FY20 DSTI Plan Rules and has absolute and unfettered discretion in exercising any power or discretion containing the FY20 DSTI Plan. The Board may at any time in its sole discretion amend, supplement or revoke all or any of the FY20 DSTI Plan Rules, the terms of any ZEPO or all or any of the rights or obligations of the holder of a ZEPO. However, the Board will not undertake such actions where it may materially reduce the rights of the holder of a ZEPO, unless the amendment is made primarily for the purposes of complying with applicable law, to correct any manifest error or mistake, or with the consent of the relevant holder. Such actions are also subject to any applicable restrictions or procedural requirements required by law or the Listing Rules.

A summary of the material terms of any loan that will be made in relation to the acquisition

There are no loans being made in relation to the acquisition of the ZEPOs.

Disclosure statement

Details of any securities issued under the FY20 DTSI Plan will be published in the annual report of the Company relating to a period in which they 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 the FY20 DTSI Plan after Ordinary Resolution 3 is approved and who are not named in the Notice of Meeting will not participate until approval is obtained under that rule.

A voting exclusion statement

A voting exclusion statement with regards to Resolution 3 is included in the Notice.

(b) Directors' recommendation on Ordinary Resolution 3

The Directors, other than Mr Blackburne, recommend that Shareholders vote in favour of Ordinary Resolution 3.

As permitted, the Chairman intends to vote all undirected proxies in favour of Ordinary Resolution 3.

6. ORDINARY BUSINESS ITEM 5**(a) Ordinary Resolution 4 – Issue of Performance Rights under the FY21 LTI Plan to Mr Nathan Blackburne or his nominee****BACKGROUND**

Resolution 4 seeks Shareholder approval of the long term incentive (**LTI**) component of Mr Blackburne's remuneration through the issue of 127,666 Performance Rights under the FY21 LTI Plan for the 2021 financial year.

The objective of the FY21 LTI Plan is to allow the Board to grant Performance Rights to executives of the Company to assist with:

- attracting, motivating and retaining executives
- delivering rewards to executives for individual and Company performance
- allowing executives the opportunity to become Shareholders,
- enabling long term incentives to be settled by way of Shares in the Company, and
- aligning the interests of executives with those of Shareholders.

The FY21 LTI Plan

The Board is responsible for administering the FY21 LTI Plan in accordance with the FY21 LTI Plan Rules and the terms and conditions of the specific grants to participants under the FY21 LTI Plan.

The Board is cognisant of general Shareholder opinion that long-term equity-based rewards for staff should be linked to the achievement by the Company of performance conditions.

The Board has offered 127,666 Performance Rights to the Managing Director based on his LTI opportunity for the FY21 LTI Plan. The number of Performance Rights awarded was based on dividing the LTI opportunity amount (being \$689,400) by the 5-day volume weighted average price of the Company's shares up to and including 7 July 2020.

The Performance Rights that the Board has offered to Mr Blackburne under the FY21 LTI Plan for the 2021 financial year are subject to the two performance conditions outlined below. These performance conditions must be satisfied in order for the Performance Rights to vest. The two performance conditions are equally weighted and operate independently of each other so that Performance Rights can vest under either or both categories (with 50% of the 127,666 Performance Rights capable of vesting under each of the two performance conditions).

In addition, subject to certain exemptions in the FY21 LTI Plan, it will be a requirement, in order for Mr Blackburne's 127,666 Performance Rights to vest, that his employment with the Company is not terminated by his resigning or by the Company terminating for cause or underperformance prior to 30 June 2023. If Mr Blackburne's employment terminates for any other reason, then the vesting of the Performance Rights will still be assessed against the performance conditions attaching to them unless the Board determines otherwise.

Upon a Performance Right vesting, and subject to any adjustments in accordance with the FY21 LTI Plan Rules (e.g. upon a reorganisation of capital), one Share will be automatically issued to Mr Blackburne or his nominee (unless the Board exercises its discretion below to pay a cash equivalent). Mr Blackburne or his nominee is not required to pay any exercise price to the Company on the vesting of a Performance Right.

While the Board's current intention is that Mr Blackburne or his nominee will be issued with a Share upon a Performance Right vesting, the Board retains the discretion to pay the cash equivalent of a Performance Right (being the gross value of the Shares that would have been issued to Mr Blackburne if the Board chose to settle the Performance Rights in Shares) in lieu of issuing Shares.

Relative TSR hurdle (50% of Performance Rights)

Total shareholder return (**TSR**) is a method of calculating the return Shareholders would earn if they held a notional number of Shares over a period of time. TSR measures the growth in the Company's share price together with the value of dividends during the period, assuming that all of those dividends are re-invested into new Shares. The percentage of Performance Rights out of this tranche that vest, if any, will be determined by reference to the relative TSR of the Company achieved over a three year performance period commencing 1 July 2020 and ending 30 June 2023 (**Performance Period**), compared to the TSR comparator group of companies in the ASX Small Industrials Index (ASX.XSIAL) (**Index TSR**), as follows:

CWP's TSR for Performance Period	Percentage of TSR-tested Performance Rights vesting
Less than Index TSR	Nil
Equal to Index TSR	50%
Greater than Index TSR up to 15% above Index TSR	Pro-rata between 50% and 100%
Greater than 15% above Index TSR	100%

Threshold vesting of this tranche of the Performance Rights occurs where the Company's TSR equals the ASX Small Industrials Index TSR over the Performance Period. For the whole tranche of Performance Rights to vest, the Company's TSR must exceed the TSR of the ASX Small Industrials Index over the Performance Period by 15 per cent.

EPS compound annual growth rate hurdle (50% of Performance Rights)

Earnings per share (**EPS**) is a method of calculating the performance of an organisation, capturing information regarding an organisation's net profit after tax in proportion to the total number of shares issued by the organisation.

The target range for EPS vesting are considered and set at the start of the plan. The relevant inputs when setting the EPS target range are:

- The earnings and EPS targets contained in the Corporate Plan, particularly with reference to the most recent internal five-year forecasts;
- The level of stretch associated with those Corporate Plan targets
- Any earnings guidance that has been provided to the market;
- Shareholder and analyst (individual and consensus) expectations;
- The rate of growth in the Australian economy and the performance of the property sector.

The Remuneration & Nominations Committee will consider the appropriate EPS target range and the level of reward if targets are met for the holder of the Performance Rights. This may include setting any maximum reward under the FY21 LTI Plan and minimum levels of performance to trigger vesting of LTIs.

EPS is based on statutory profit, calculated in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act.

The Committee will ensure targets strike an appropriate balance between being achievable yet sufficiently challenging, given the anticipated performance of the Company.

Further details of the Company's LTI Plan are included in the remuneration report in the Company's 2020 annual report.

(a) Regulatory requirements

Ordinary Resolution 4 seeks Shareholder approval under Listing Rule 10.14 of the long term incentive component of Mr Blackburne's remuneration, being the issue of 127,666 Performance Rights under the FY21 LTI Plan for the 2021 financial year.

Listing Rule 10.14

The Company is proposing to issue long term incentive options to Mr Blackburn under the FY21 LTI Plan, as set out above (**LTI Issue**).

As noted in this explanatory memorandum in relation to Ordinary Resolution 3, Listing Rule 10.14 restricts certain categories of persons from acquiring equity securities under an employee incentive scheme.

The LTI Issue falls within Listing Rule 10.14.1 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

Ordinary Resolution 4 seeks the required shareholder approval to the LTI Issue under and for the purposes of Listing Rule 10.14.

Shareholders should note that, if Ordinary Resolution 4 is passed, the Company will be able to proceed with the LTI Issue and approval is not required under Listing Rule 7.1 and the issue of securities pursuant to Ordinary Resolution 4 will not be included in the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders do not pass Ordinary Resolution 4, the Company will not be able to proceed with the LTI Issue and, therefore, in order to meet the Company's contractual obligations under Mr Blackburne's contract, it will be necessary for the Board and Mr Blackburne to agree an alternative remuneration structure to provide Mr Blackburne with his contractual entitlement, which could be an alternative equity proposal to be put to Shareholders and/or an amount of cash.

For the purposes of Listing Rule 10.14, the following information is provided in relation to the issue of 127,666 Performance Rights pursuant to Ordinary Resolution 4:

The name of the person

The recipient of the Performance Rights will be Mr Nathan Blackburne or his nominee.

Category the person falls within and why

The issue of the Performance Rights falls within Listing Rule 10.14.1 because Mr Nathan Blackburne is the Company's Managing Director.

The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought

The maximum number of Securities that may be issued to Mr Blackburne, or his nominee, is 127,666 Performance Rights.

Details of Mr Blackburne's current remuneration package

Mr Blackburne's FY21 remuneration comprises:

- Fixed remuneration of \$766,000 per annum
- The ability to receive up to \$631,950 in the form of short term incentives (45% in cash, 55% in ZEPOs)
- The ability to receive up to \$689,400 in the form of long term incentives.

For further information, refer page 57 of the Company's 2020 annual report.

The number of securities previously issued to Mr Blackburne under the scheme and the average acquisition price (if any) paid by Mr Blackburne for those securities

Mr Blackburne has previously received performance rights pursuant to similar long term incentive plans in previous years, having received 120,735 share rights during financial year ending 30 June 2020 (further details of which are set out on page 53 of the Company's 2020 annual report). Mr Blackburne was not required to pay for those performance rights.

Summary of the material terms of the securities, an explanation of why that type of security is being used and the value the Company attributes to that security and its basis

These details are set out in the "Background" section above and in "The material terms of the scheme" section below.

The date or dates on or by which the Company will issue the securities

If Shareholders pass Ordinary Resolution 4, the Performance Rights will be issued to Mr Nathan Blackburne or his nominee as soon as practicable after the date of the Meeting and in any event within 3 years of the Meeting. It is anticipated that all the Performance Rights will be issued on the same date.

The price at which the Company will issue the securities

No price will be paid for the Performance Rights upon their issue, or for the Shares upon vesting of any Performance Right.

The material terms of the scheme

The material terms attaching to the Performance Rights are set out in the "Background" section above.

Further, pursuant to the FY21 LTI Plan Rules:

- The Performance Rights are non-transferable (unless the Board determines otherwise), carry no right to vote or receive dividends or any of the other rights of Shareholders and will (subject to the Board's overriding discretion) lapse if they do not vest.
- Vested or unvested Performance Rights may be clawed back under the Company's clawback policy (**Clawback Policy**). The underlying principle of the Clawback Policy is that an employee should not receive performance based remuneration if the Board considers that such remuneration would be an "inappropriate benefit".

Under the Clawback Policy the Board, in its absolute discretion, may take such clawback actions as it deems necessary or appropriate to address events that give rise to an "inappropriate benefit". Such actions may include:

- cancelling or requiring the forfeiture of some or all of the employee's unvested or deferred short term incentive;

- adjusting the employee's future performance based remuneration;
- recovering a short term incentive or long term incentive award previously paid to the employee; and
- any other action the Board considers appropriate.
- Upon the vesting of a Performance Right, the Company must issue or procure the transfer of the relevant number of Shares (or applicable cash amount) to the holder.
- If the holder ceases to be an employee of the Company then:
 - any unvested Performance Rights will not lapse on cessation and:
 - where the Performance Rights have performance conditions attaching to them, those Performance Rights will be tested following the end of the performance period and vest to the extent that the conditions have been satisfied; and
 - where the Performance Rights have service conditions attaching to them, those Performance Rights will be vested following the end of the performance period.
- The above rules that apply upon cessation of employment are subject to the following rules:
 - if the holder ceases to be an employee prior to the Performance Rights vesting by reason of resignation or termination for cause or poor performance, any Performance Rights which have not vested at the time of cessation of employment will lapse upon such cessation (subject to the Board's overriding discretion set out below); and
 - if the holder ceases to be an employee for any reason, the Board may (in respect of any Performance Rights which have not vested) determine any treatment it considers to be appropriate in the circumstances. In making the determination, the Board may have regard to any matter the Board considers relevant, including the proportion of the performance period that has elapsed at the time of cessation of employment and the degree to which the applicable conditions have been (or are estimated to have been) satisfied, and the Company's obligations under the Corporations Act and Listing Rules, including any requirements for Shareholder approval.
- On certain change of control transactions occurring in relation to the Company (such as a Board-recommended takeover bid being made for it), unvested Performance Rights will, unless the Board determines otherwise, vest in proportion to the amount of the performance period that has elapsed and any estimate of the performance conditions being satisfied.
- There can be an adjustment of Performance Rights in certain circumstances, including in the event of any capital reorganisation (such as a subdivision or consolidation) or pro-rata or bonus issue. Subject to the following two paragraphs, the number of Performance Rights to which each holder is entitled, or the exercise price, may be adjusted in the manner determined by the Board. It is intended that the Board would exercise its discretion in this regard to ensure that holders do not enjoy a windfall gain and do not suffer a material detriment as a result of any corporate action.
- If there is a reorganisation of capital, the rights of each holder who has been allocated Performance Rights will be adjusted in the manner required by the Listing Rules applying at the time of the reorganisation.
- Where the Company issues new securities:
 - a holder of Performance Rights will not be entitled to participate in the new issue until his or her Performance Rights have vested and been exercised; and
 - the exercise price, or number of securities over which the Performance Rights may be exercised, will, in the case of a pro-rata issue, be adjusted in accordance with Listing Rule 6.22.2 (or any replacement rule) and, in the case of a bonus issue, be adjusted in accordance with Listing Rule 6.22.3 (or any replacement rule).
- The Board administers the FY21 LTI Plan Rules and has absolute and unfettered discretion in exercising any power or discretion containing the FY21 LTI Plan. The Board may at any time in its sole discretion amend, supplement or revoke all or any of the FY21 LTI Plan Rules, the terms of any Performance Right or all or any of the rights or obligations of the holder of a Performance

Right. However, the Board will not undertake such actions where it may materially reduce the rights of the holder of a Performance Right, unless the amendment is made primarily for the purposes of complying with applicable law, to correct any manifest error or mistake, or with the consent of the relevant holder. Such actions are also subject to any applicable restrictions or procedural requirements required by law or the Listing Rules.

A summary of the material terms of any loan that will be made in relation to the acquisition

There are no loans being made in relation to the acquisition of the Performance Rights.

Disclosure statement

Details of any securities issued under the FY21 LTI Plan will be published in the annual report of the Company relating to a period in which they 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 the FY21 LTI Plan after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

A voting exclusion statement

A voting exclusion statement with regards to Ordinary Resolution 4 is included in the Notice.

(b) Directors' recommendation on Ordinary Resolution 4

The Directors, other than Mr Blackburne, recommend that Shareholders vote in favour of Ordinary Resolution 4.

As permitted, the Chairman intends to vote all undirected proxies in favour of Ordinary Resolution 4.

7. INTERPRETATION

In this Explanatory Memorandum:

“**AGM**” means Annual General Meeting;

“**Associates**” has the meaning given in the Listing Rules;

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of Directors of the Company;

“**Chairman**” means the chairman of the Meeting;

“**Closely Related Parties**” of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company;
- a company the member control; or
- a person prescribed by the Corporations Regulations 2001 (Cth);

“**Company**” and “**CWP**” means Cedar Woods Properties Limited;

“**Constitution**” means the constitution of the Company as amended from time to time;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Explanatory Memorandum**” means this explanatory memorandum;

“**FY20 DSTI Plan**” means the Deferred Short Term Incentive Plan established by the Company in relation to the potential offer of Zero Price Options to executives of the Company;

“**FY 20 DSTI Plan Rules**” means the rules of the FY20 DSTI Plan;

“**FY21 LTI Plan**” means the Long Term Incentive Plan established by the Company in relation to the potential offer of Performance Rights to executives of the Company;

“**FY21 LTI Plan Rules**” means the rules of the FY21 LTI Plan;

“**Key Management Personnel**” has the same meaning given in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors;

“**Listing Rules**” means the official listing rules of the ASX;

“**Lumi AGM app**” means the application Shareholders can use to participate in the Meeting using their mobile phone or device;

“**Lumi platform**” means the online facility Shareholders can use to participate in the Meeting using their computer;

“**Managing Director**” means the managing director of the Company from time to time;

“**Meeting**” means the meeting of Shareholders convened by the Notice;

“**New Constitution**” means the document titled ‘Constitution’ tabled at the Meeting and signed by the Chairman for the purposes of identification;

“**Notice**” and “**Notice of Meeting**” means the notice of meeting to which this Explanatory Memorandum is attached;

“**Performance Right**” means a right to be issued a Share granted under the FY21 LTI Plan on the terms and conditions that are set out in the relevant offer letter given to the recipient and that are contained in the FY21 LTI Plan;

“**Proxy Form**” means the form attached to this Explanatory Memorandum;

“**Resolution**” means a resolution set out in this Notice and “**Resolutions**” has a corresponding meaning;

“**Section**” means a section of this Explanatory Memorandum;

“**Securities**” has the meaning ascribed to it in the Listing Rules and includes ZEPOs and Performance Rights;

“**Share**” means an ordinary fully paid share in the capital of the Company;

“**Shareholder**” means a holder of Shares; and

“**ZEPO**” means a Zero Price Option to be issued a Share granted under the FY20 DSTI Plan on the terms and conditions that are set out in the relevant offer letter given to the recipient and that are contained in the FY20 DSTI Plan.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (Perth time) Monday, 2 November 2020**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 184368
SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cedar Woods Properties Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cedar Woods Properties Limited to be held virtually on Wednesday, 4 November 2020 at 10:00am (Perth time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 to 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 3 to 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 to 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of new Constitution	☐	☐	☐
2 Re-election of retiring director - Mrs Jane M Muirsmith	☐	☐	☐
3 Remuneration report	☐	☐	☐
4 Approval of issue of Zero-Price Options (ZEPOs) under FY20 Deferred STI Plan to Mr Nathan Blackburne or his nominee	☐	☐	☐
5 Approval of issue of Performance Rights under FY21 LTI Plan to Mr Nathan Blackburne or his nominee	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

 / /
Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

