

ASX Announcement

11 August 2017

Vicinity announces appointment of CEO and Managing Director

Mr Peter Hay, Chairman of Vicinity Centres (Vicinity, ASX:VCX), today announced the appointment of Mr Grant Kelley as the new CEO and Managing Director of Vicinity, with a planned commencement date of 1 January 2018.

Mr Kelley will succeed Mr Angus McNaughton, who recently advised the Board of Vicinity of his intention to retire effective from 31 December 2017. Angus has been CEO and Managing Director of Vicinity since August 2015 and will have been involved with the business for close to 10 years including his time with Novion Property Group and its predecessor CFS Retail Property Trust Group.

Mr Hay said: "On behalf of the Board, I am very pleased to announce Grant's appointment as the incoming CEO and Managing Director of Vicinity. Grant's diverse global background including real estate investment, corporate strategy, funds management and private equity spans close to three decades, through to his most recent role running one of Asia's larger independent listed diversified property companies. Grant will bring to Vicinity a strong strategic and analytical perspective on the changes occurring in the property industry globally. Grant's proven capacity to manage and adapt to change will be imperative at a time of significant evolution across the Australian retail landscape."

Mr Kelley said: "I am delighted to be given this opportunity to lead Vicinity, together with the highly experienced executive team, and drive the future growth of the business to deliver strong returns for securityholders. This is an exciting time for the business and I look forward to building on its well established retail platform."

Transition planning is well underway by the Board and Mr McNaughton to ensure a smooth handover through to Mr Kelley's commencement. To facilitate this transition, Mr Kelley will be visiting Australia in the coming months to meet with the executive team and start familiarising himself with the business.

Mr Hay added: "I would like to once again thank Angus for his stewardship of Vicinity and in particular, for his leadership through the successful integration and realisation of synergies from the merger."

Biographical details and a summary of material terms of Mr Kelley's executive services agreement are enclosed.

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About Vicinity Centres

Vicinity Centres (Vicinity or the Group) is one of Australia's leading retail property groups with a fully integrated asset management platform, and over \$24 billion in retail assets under management across 83 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 74 shopping centres (including the DFO Brisbane business) and manages 35 assets on behalf of Strategic Partners, 26 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code 'VCX' and has approximately 24,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code 'VCD'. For more information visit the Group's website vicinity.com.au, or use your smartphone to scan this QR code.

Grant Kelley - Biographical details

Mr Grant Kelley has over 25 years of global experience in real estate investment, corporate strategy, funds management and private equity.

Mr Kelley was appointed to his most recent position as City Development Limited's CEO in 2014. Prior to this, Mr Kelley was the Co-Head of Asia Pacific for Apollo Global Management, and also led their real estate investment activities in the region. In 2008, Mr Kelley founded Holdfast Capital Limited, an Asian-based real estate investment firm, which was acquired by Apollo in 2010. From 2004 to 2008, Mr Kelley was the CEO of Colony Capital Asia where he guided the strategic planning, acquisition and asset management activities in Asia. From 2002 to 2004, he was based in New York, where he was a Principal at Colony with responsibility for the identification of US and European investment opportunities.

Mr Kelley commenced his career in 1989 at Booz Allen & Hamilton, advising CEOs of major listed companies in the financial services, natural resources and healthcare industries.

Mr Kelley holds a Bachelor of Laws degree from the University of Adelaide, a Master's degree in International Relations from the London School of Economics, and an M.B.A. from the Harvard Business School. He is a Council Member of the Asia Society Policy Institute.

Summary of material terms of Executive Services Agreement (ESA)

Position	CEO and Managing Director
Commencement Date	Not later than 1 January 2018.
Term	No fixed term. Ongoing until terminated by either party in accordance with the terms of the ESA (see "Termination of employment" below).
Total Fixed Remuneration (TFR)	\$1,500,000 (including superannuation) per annum, reviewed annually.
Short Term Incentive (STI) for FY18	Eligible to participate in in an award under the Vicinity Centres STI Plan for FY18. FY18 STI opportunity: Subject to achievement of key performance indicators as set by the Board, Mr Kelley will be eligible to receive a pro-rata STI award. The award will be calculated based on: • a target value of 75% of TFR (\$1,125,000) if key performance indicators are achieved at target; and • a maximum value of 100% of TFR (\$1,500,000) if key performance indicators are achieved in full, with pro-rating applied to any amount awarded, having regard to the number of days of the performance period served by Mr Kelley. 50% of any resulting STI award will be payable in cash and 50% will be deferred into Vicinity Centres stapled securities which will be restricted for a period of 24 months. Participation in, and the terms of, future STI awards is subject to Board discretion.
Long Term Incentive (LTI) for FY18	Eligible to participate in an award under the Vicinity Centres LTI Plan for FY18. FY18 LTI Opportunity: Subject to securityholder approval at the 2017 AGM, Mr Kelley will be granted performance rights with a face value of \$1,875,000 (representing 125% of TFR) tested over a three year performance period. Vesting will be subject to applicable performance hurdles being met. Any performance rights that would otherwise vest based on performance will be prorated to reflect the number of days of the performance period served by Mr Kelley. Any Vicinity Centres stapled securities allocated on vesting will be subject to an additional one year restriction period after the three year performance period ends. Participation in, and the terms of, future LTI awards is subject to Board discretion.

Sign-on grant	Mr Kelley will be awarded a sign-on grant with a maximum face value of \$2,000,000, to be delivered in the form of Vicinity Centres stapled securities and divided into two equal tranches as follows: • 50% will be subject to restriction for 12 months from the Commencement Date; and • 50% will be subject to restriction for 24 months from the Commencement Date. The Vicinity Centres stapled securities will become unrestricted at the end of the relevant restriction period, subject to Mr Kelley's continued employment.
Termination of employment	Either party may terminate the ESA by giving 6 months' notice. The company may require that the notice period be served, or may elect to pay Mr Kelley in lieu of working any part of the notice period. The company may summarily terminate Mr Kelley's employment without notice in certain circumstances (including serious misconduct). Entitlements to incentives will be determined in accordance with the terms of the relevant awards.
Post employment restraint	Post-employment restraints apply for up to 6 months after termination.