

# IVE GROUP LIMITED

ABN 62 606 252 644

# NOTICE OF ANNUAL GENERAL MEETING

MONDAY, 21 NOVEMBER 2016



20 October 2016

Dear Shareholder,

On behalf of the Directors of IVE Group Limited (**IVE Group**), I am pleased to invite you to attend the 2016 Annual General Meeting (**AGM**) of IVE Group. Enclosed is the Notice of Meeting setting out the business of the AGM.

IVE Group's 2016 AGM will be held on Monday, 21 November 2016 commencing at 10am (Sydney time) at The Mint, 10 Macquarie Street, Sydney NSW 2000.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 10am (Sydney time) on Saturday, 19 November 2016 in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote in each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of IVE Group unanimously recommend that shareholders vote in favour of all resolutions.

Following the conclusion of the AGM, you are welcome to join the Board and Management for light refreshments.

Thank you for your continued support of IVE Group and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,



**Geoff Selig**

Executive Chairman

## Notice of Annual General Meeting

Monday, 21 November 2016

Notice is given that the Annual General Meeting (**AGM or Meeting**) of shareholders of IVE Group Limited (**IVE Group or Company**) will be held:

Date: Monday, 21 November 2016

Time: 10:00am (Sydney time)

Venue: The Mint, 10 Macquarie Street, Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

### A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2016.

All shareholders can view the Annual Report which contains the Financial Report for the year 30 June 2016 on the Company's website at [www.ivegroup.com.au](http://www.ivegroup.com.au).

### B. QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

### C. ITEMS FOR APPROVAL

#### Resolution 1. Election of Director – Sandra Hook

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

*"That Sandra Hook, who retires in accordance with clause 7.1(c) of the Company's Constitution and being eligible for election, is elected as a Director of the Company."*

#### Resolution 2. Re-Election of Director – Gavin Bell

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

*"That Gavin Bell, who retires in accordance with clause 7.1(f) of the Company's Constitution and being eligible for re-election, is re-elected as a Director of the Company."*

#### Resolution 3. Remuneration Report

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

*"That the Company's Remuneration Report for the financial year ended 30 June 2016, as set out in the Directors' Report, is adopted."*

The Remuneration Report is contained in the 2016 Annual Report (available at [www.ivegroup.com.au](http://www.ivegroup.com.au)). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (the **Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### Voting Exclusion Statement

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2016 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for or against) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
  - i. does not specify the way the proxy is to vote on the resolution; and
  - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

*“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act 2001 (Cth).*

### Resolution 4. Issue of Rights under the IVE Group Equity Incentive Plan – Geoff Selig

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 32,817 performance rights to Geoff Selig under the IVE Group Equity Incentive Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”*

### Resolution 5. Issue of Rights under the IVE Group Equity Incentive Plan – Warwick Hay

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 32,817 performance rights to Warwick Hay under the IVE Group Equity Incentive Plan on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”*

### Voting Exclusion Statement for Resolutions 4 and 5

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 4 and 5 by any Director of the Company who is eligible to participate in the IVE Group Equity Incentive Plan and their associates. The Non-Executive Directors are ineligible to participate in IVE Group Equity Incentive Plan and this is the only employee incentive scheme within the Group. As a result, Non-executive Directors will not be excluded from voting on Resolutions 4 and 5.

However, the Company need not disregard a vote cast on Resolutions 4 and 5 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 person chairing the Meeting 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, a vote must not be cast on Resolutions 4 or 5 by a member of the KMP, or a closely related party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on Resolutions 4 or 5.

This restriction on voting undirected proxies does not apply to the Chairman of the Meeting acting as proxy for a person entitled to vote on Resolutions 4 and 5 because the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### **Resolution 6. Financial Assistance – James Bennett & Associates Pty Ltd (JBA)**

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

*“That, for the purposes of section 260B(2) of the Corporations Act 2001 (Cth), approval is given for financial assistance to be provided by James Bennett & Associates Pty Ltd ACN 149 761 580 in connection with the JBA Acquisition as defined and described in the Explanatory Memorandum forming part of this Notice of Meeting.”*

### **Resolution 7. Appointment of KPMG as Auditor**

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

*“That, in accordance with section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, KPMG having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of IVE Group Limited.”*

### **Resolution 8. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A**

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

*“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of IVE Group Limited (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting.”*

### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 8 by a person who may participate in the 10% placement facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this resolution is passed and any associates of those persons. As at the date of this Notice of Meeting, there are no potential allottees to whom shares may be issued under this resolution. On that basis, no shareholders are currently excluded from voting.

However, the Company need not disregard a vote cast on Resolution 8 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 person chairing the Meeting 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.

By Order of the Board



**Darren Dunkley**

Company Secretary

20 October 2016

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on Saturday, 19 November 2016 will be entitled to attend and vote at the AGM as a shareholder.

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

### Appointment of Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the Act) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10:00am (Sydney time) on Saturday, 19 November 2016 (48 hours before AGM). Proxies must be received before that time by one of the following methods:

- By post: IVE Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia
- By facsimile: (02) 9287 0309 (within Australia)  
+61 2 9287 0309 (from outside Australia)
- By delivery in person: Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138
- Online: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.**

### Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10:00am (Sydney time) on Saturday, 19 November 2016, being 48 hours before the AGM.

### Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IMPORTANT:** If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on resolution 3, then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

## **Notice of Annual General Meeting (cont.)**

Monday, 21 November 2016

### **Voting at the Meeting**

It is intended that voting on each of the proposed resolutions at this Meeting will be conducted by a poll, rather than on a show of hands.

### **SHAREHOLDER QUESTIONS**

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) select Voting then click 'Ask a Question'.

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) on Friday, 11 November 2016. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

### **ENCLOSURES**

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on IVE Group's share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return the proxy form.



## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held on Monday, 21 November 2016 at 10:00am (Sydney time).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 1, 2, 4, 5 and 7 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution. Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company. Resolutions 6 and 8 are to be voted on as special resolutions. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

### Resolutions 1. and 2. Election of Directors

#### Resolution 1. Election of Director – Sandra Hook

The Board appointed Sandra Hook as an independent Non-executive Director of the Company pursuant to clause 7.1(b) of the Constitution on 1 June 2016. In accordance with clause 7.1(c) of the Constitution, Ms Hook retires from office at the conclusion of the AGM and is eligible for election as a Director of the Company.

Ms Hook has extensive operational, financial management and strategic experience acquired from an executive career that has spanned over 25 years. Ms Hook has held senior positions within Foxtel, Federal Publishing Company, Murdoch Magazines, Fairfax, ACP and News Limited. She has significant experience providing leadership to businesses that operate in the complex and evolving communications landscape.

Ms Hook currently holds a number of directorships, including Chair of WYZA Limited, non-executive director roles at MedAdvisor Limited, RXP Services Limited and Sydney Fish Markets, and is a Trustee of the Royal Botanic Gardens & Domain Trust.

The Directors, with Sandra Hook abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

#### Resolution 2. Re-Election of Director – Gavin Bell

Gavin Bell was appointed as an independent Non-executive Director of the Company on 25 November 2015. The ASX Listing Rules require an election of directors be held every year and to ensure an orderly rotation of directors seeking re-election, the Board has agreed that Mr Bell be put to shareholders for re-election in accordance with clause 7.1(f) of the Constitution. Mr Bell is eligible for re-election.

Mr Bell is Chairman of the Nomination and Remuneration Committee and a member of the Audit, Risk and Compliance Committee.

Mr Bell was Chief Executive Officer of law firm Herbert Smith Freehills, a role he held from 2005 until he retired from the role in 2014, having joined the firm as a graduate solicitor in 1982.

Mr Bell is an experienced non-executive director. He is currently a non-executive director of Smartgroup Corporation Ltd and Insurance and Care NSW.

Mr Bell holds a Bachelor of Laws from the University of Sydney and a Master of Business Administration (Exec) from AGSM, University of New South Wales.

The Directors, with Gavin Bell abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### Resolution 3. Remuneration Report

Section 250R(2) of the Corporations Act 2001 (Cth) (the **Act**) requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the Annual Report which is available on IVE Group's website at [www.ivegroup.com.au](http://www.ivegroup.com.au)

Following consideration of the Remuneration Report, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors of the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

### Resolutions 4 and 5 – Issue of Rights under the IVE Group Equity Incentive Plan to Geoff Selig and Warwick Hay

Please refer to the Company's Remuneration Report in the 2016 Annual Report for details on the Company's approach to Remuneration which includes fixed and at risk remuneration.

This resolution deals with the proposed grant of performance share rights (**Rights**) to Mr Geoff Selig, Executive Chairman and to Mr Warwick Hay, Managing Director, to acquire fully paid ordinary shares (**Shares**) in the Company under the IVE Group Limited Equity Incentive Plan (**Plan**). The Company has agreed, subject to obtaining shareholder approval, to grant a total of 32,817 Rights to each of Mr Selig and Mr Hay.

The ASX Listing Rules (**Listing Rules**) and the Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

Listing Rule 10.14 requires the approval of ordinary shareholders to issue securities under an employee incentive scheme to a Director of the Company. Accordingly, approval for the grant of the Rights to Mr Selig and Mr Hay is required. Approval of this resolution will result in the grant of Rights to Mr Selig and Mr Hay falling within exception 14 in Listing Rule 7.2 (in addition to exception 9, which already applies). Therefore, the issue of securities to Mr Selig and Mr Hay will not be included in the 15% calculation for the purposes of Listing Rule 7.1. The issue of Shares in the Company on the vesting of the Rights will also be excluded from Listing Rule 7.1.

### Purpose of the Plan

The Company has established the Plan to assist in the motivation, retention and reward of senior management. The Plan is designed to align the interests of executive and senior management with the interests of shareholders by providing an opportunity for the participants to receive an equity interest in the Company. The details of the Plan Rules were described in the IVE Group Limited Prospectus issued in 2015.

Other members of senior management, selected by the Board, have been granted Rights under the Plan on similar terms to Mr Selig and Mr Hay.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### Calculation of the Proposed Number of Rights

The number of Rights to be granted is calculated by dividing the total value of the award by the fair value of the Rights calculated using a Monte Carlo simulation (for component subject to the TSR performance condition) and a risk-neutral assumption (for the component subject to EPS performance condition). The fair value for this grant is \$1.5236, with the number of Rights granted rounded down to the next whole number.

It is proposed that Mr Selig and Mr Hay each be granted 32,817 Rights. This has been calculated by dividing the total face value of \$50,000 by \$1.5236 (fair value). The Rights will be granted to Mr Selig and Mr Hay for nil financial consideration.

### Vesting Conditions

The vesting conditions are based on an earnings per share (EPS) performance hurdle, tested based on the compound annual growth rate (CAGR) of the Company's EPS over the three-year period commencing 1 July 2016 and ending on 30 June 2019 (Performance Period) (EPS Hurdle).

EPS measures the earnings generated by the Company attributable to each share on issue on a fully diluted basis.

Calculation of the CAGR of the EPS and achievement against the EPS Hurdle will be determined by the Nomination and Remuneration Committee of the Company in its absolute discretion, having regard to any matters that it considers relevant.

The percentage of Rights that vest, if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Remuneration and Nomination Committee, in its discretion, considers appropriate:

Under the Award, the number of Rights that may vest will be determined by reference to:

- EPS compound annual growth over the Performance Period. EPS growth will be calculated as the Company's Net Profit After Tax adjusted for amortisation of customer contracts (NPATA) divided by the undiluted weighted average shares on throughout the performance period, using the following formula:

$$\text{EPS CAGR} = \sqrt[3]{\left(\frac{\text{Year 3 EPS}}{\text{Year 0 EPS}}\right)} - 1$$

(Benchmark 1); and

- Relative Total Shareholder Return (TSR) performance of the Company in comparison to similar companies in a peer group. The TSR of each company will be measured from the start of the performance period to the end of the performance period (Benchmark 2),

(collectively the Performance Conditions).

Performance Share Rights will vest in the percentages relevant to achievement of the Performance Conditions in the table below:

60% of Performance Share Rights Earnings Per Share Target (EPS) ("Benchmark 1 Entitlement")		40% of Performance Share Rights Relative Total Shareholder Return (TSR) ("Benchmark 2 Entitlement")	
EPS Target 7.75%	Performance Share Rights	TSR growth	Performance Share Rights
		Company ranks below 50th percentile	Nil
Less than 90% of target achieved	Nil	Company ranks at the 50th percentile	50%
90-99% of target achieved	80%	Company ranks between the 50th and 75th percentile	Straight line vesting
Target achieved or exceeded	100%	Company ranks at or above 75th percentile	100%

## Notice of Annual General Meeting (cont.)

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Together Benchmark 1 and Benchmark 2 comprise the total Performance Conditions but act independently relative to their specific target component of 60% and 40% of Performance Share Rights, respectively.

By way of example (only), if the Targets for both Benchmarks are achieved, 50% of the Performance Share Rights will vest and the remaining 50% will lapse.

Testing of the EPS Hurdle will occur shortly after the end of the Performance Period and release of the Company's full year audited results in August 2019, and the number of Rights that vest (if any) will be determined. Any Rights that remain unvested will lapse immediately.

Vested Rights will automatically exercise, convert into IVE Group Shares and be allocated to participants:

- if the Vesting Date occurs in a Trading Window (as defined in the Company's Securities Dealing Policy), on the Vesting Date; or
- if the Vesting Date occurs in a Blackout Period (as defined in the Company's Securities Dealing Policy), upon the first day of the next Trading Window following the Vesting Date, (**Conversion Date**).

On the Conversion Date, vested Rights will convert to IVE Group Shares on a one-for-one basis. The Company will either issue Shares or acquire Shares on-market and register these Shares in Mr Selig's or Mr Hay's name.

### Additional Terms of the Rights

- Rights do not carry any dividend or voting rights prior to vesting.
- In respect of vested Rights, the Board may in its absolute and unfettered discretion determine to make a cash payment in lieu of allocating some or all of the Shares (Cash Equivalent Value) and any Cash Equivalent Value paid will be calculated in accordance with the Rules.
- The Company's obligation to allocate Shares on vesting of the Rights may be satisfied by issuing new shares, procuring the transfer to, or procuring the setting aside for the participant the number of shares in respect of which Rights have vested.
- The Plan contains provisions which give the Board the ability, in certain circumstances, to impose clawback, including the lapse of unvested Rights and forfeit of shares allocated upon vesting of Rights (e.g. in the event of fraud, dishonesty or serious breach of duty).
- In the event, in the Board's opinion, there is the likely result of a change in the control (as defined in the Plan Rules) of the Company, the Board has discretion to determine that all or a specified number of the Rights vest.
- In the event there is any corporate action by, or capital reconstruction in relation to the Company (including but not limited to return of capital), adjustments may be made to the number of Rights and/or the number of Shares to which each participant is entitled upon vesting in accordance with the Listing Rules or in a manner that the Board considers appropriate.
- In the event of cessation of employment, unvested Rights will be treated as follows:
  - If the Director ceases employment due to termination for cause, all of the unvested Rights will lapse unless the Board determines otherwise;
  - If the Director ceases employment prior to the Conversion Date other than as a Good Leaver (detailed below), all of the unvested Rights will lapse unless the Board determines otherwise;
  - If the Director ceases employment prior to the Conversion Date due to ill health, total permanent disability or sale of the business (Good Leaver), the unvested Rights remain on foot and subject to the original vesting conditions, and tested in the normal course following the end of the Performance Period, vesting on a pro-rata basis. If the Director ceases employment prior to the Conversion Date due to death, the Rights will vest in full upon cessation; and
  - In any other circumstance, such as retirement or redundancy, the Board has the discretion to allow for vesting.
- The Board has the discretion to lapse any or all unvested Rights it deems appropriate in the circumstances.
- Under the Plan Rules, any dealing in respect of a Right is prohibited, unless the Board determines otherwise or the dealing is required by law.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### Technical information for the purposes of the ASX Listing Rules

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided with respect to Resolutions 4 and 5:

- Geoff Selig and Warwick Hay are Directors of the Company.
- The number of Rights to be awarded to Geoff Selig and Warwick Hay has been calculated by dividing the value of the applicable Plan award by \$1.5236 (being the fair value of the Rights)
  - Geoff Selig:  $\$50,000/\$1.5236 = 32,817$  Rights
  - Warwick Hay:  $\$50,000/\$1.5236 = 32,817$  Rights
- The award of equity is made under the Plan. As the Company recently listed on ASX in December 2015 and the plan was recently established, no Directors referred to in ASX Listing Rule 10.14 received securities under the Plan and the Plan was deemed to be approved as a result of disclosure in the Prospectus and release of the full terms of the Plan at the time of listing on ASX.
- Under the terms of the Plan, all Executive Directors are entitled to participate in the Plan, being Mr Geoff Selig and Mr Warwick Hay. Non-Executive Directors are not eligible to participate in the Plan.
- A voting exclusion statement is set out under Resolutions 4 and 5 in the Notice of Meeting.
- There is no loan attaching to the offer under the Plan.
- The Company is expected to award the Rights shortly after the AGM but in any event within one year after the AGM.
- If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under Listing Rule 7.1.

### Directors' Recommendation

The Board (apart from Mr Selig and Mr Hay), who do not have an interest in the outcome of the relevant resolution, recommend that shareholders vote in favour of this resolution for the reasons set out below:

- The Directors consider that it is important for the Company to be able to attract and retain experienced executive Directors and that the proposed grant of Rights to Mr Selig and Mr Hay is appropriate taking into account their level of experience and contribution to the Company;
- The Directors consider that the proposed number of Rights to be granted to Mr Selig and Mr Hay is appropriate to:
  - Motivate Mr Selig and Mr Hay to pursue long-term growth and success of the Company (within an appropriate control framework);
  - Align the interests of key leadership with the long-term interests of the Company's shareholders; and
  - Ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy; and
  - The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) note that equity-based remuneration can be an effective form of remuneration for executives.

### Resolution 6. Financial Assistance – James Bennett & Associates Pty Ltd (JBA)

#### Background

On 17 May 2016, IVE Group Australia Pty Ltd, a wholly owned subsidiary of the Company, acquired JBA (the JBA Acquisition) and JBA is now a wholly-owned Group member.

IVE Group Australia Pty Ltd and IVE Group Victoria Pty Ltd are parties to a Facilities Agreement originally dated 7 March 2013, and most recently amended and restated by an Eighth Variation Deed dated 8 July 2016 (**Facilities Agreement**). Pursuant to the Facilities Agreement, the borrowers have access to certain debt facilities from Westpac Banking Corporation (**Financier**). The Company and certain of its subsidiaries are guarantors under the Facilities Agreement. Borrowings under the Facilities Agreement were used to fund the acquisition of JBA.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

### Rationale for the Financial Assistance

Under the terms of the bank financing arrangements of the Parent and its subsidiaries (the **Group**), it is a requirement that certain wholly-owned subsidiaries of the Company provide guarantees and security for the benefit of the Financier. It is proposed that JBA provide this guarantee and security to ensure the terms of the bank financing arrangements are satisfied now or in the future.

It is a legal requirement under section 260B(2) of the *Corporations Act 2001 (Cth)* (the **Act**) that a special resolution passed at a general meeting of the Company's shareholders (**Financial Assistance Resolution**) be obtained before the guarantee and security may be provided by JBA. The Financial Assistance Resolution, if passed, will approve JBA becoming a guarantor and security provider as described above. It will also approve other transactions which JBA may enter into in connection with the Group's financing arrangements which could constitute "financial assistance" within the meaning of section 260A of the Act.

### Terms of Financial Assistance

The Facilities Agreement and related finance documents:

- Includes an acquisition facility, a trade receivables purchase facility and a working capital facility with an aggregate limit of up to A\$62,236,000;
- Includes, amongst other things, events of default, undertakings, representations and warranties from the Company and certain other Group member guarantors consistent with a facility of this nature or as required by the Financier due to the particular circumstances of the financing. In addition, it includes guarantees and indemnities from each guarantor; and
- Requires the Company to procure that JBA accedes as guarantor within 20 business days of the next annual general meeting of the Company (provided such period to the next annual general meeting or extraordinary general meeting from the date of acquisition shall not be more than 225 days).

JBA will become a guarantor by executing an accession letter under the Facilities Agreement and delivering the other conditions precedent as set out in the Facilities Agreement. Upon doing so, JBA will (among other things) provide the guarantee, representations and warranties and become bound by the undertakings in the Facilities Agreement. JBA will also grant security over its assets to the Financier to secure repayment of amounts owing with respect to the Facilities.

Even though the JBA Acquisition has already occurred, the entry by JBA into the accession letter, the general security agreement, and the performance by JBA of its rights and obligations under those documents, the Facilities Agreement and any associated finance documents (the **Finance Documents**), may constitute the giving of financial assistance in connection with the JBA Acquisition within the meaning of Part 2J.3 of the Act.

Under section 260A of the Act, JBA may only provide the financial assistance referred to above if certain exceptions apply. One of these exceptions is if the financial assistance is approved in accordance with section 260B of the Act. This requires, among other things, the shareholders of the Company (being the listed Australian holding company of JBA) to approve the giving of the financial assistance. This is why the Financial Assistance Resolution is required to be passed before the financial assistance may be given.

In addition, the shareholder of JBA (being IVE Group Australia Pty Limited) will be required to pass a resolution approving the financial assistance. That resolution will be sought separately.

### Effect, Advantages, Disadvantages

As the Company and certain of its subsidiaries are already guarantors under the Facilities Agreement, the giving of the financial assistance described above by JBA is unlikely to have any adverse effect on the Company.

The substantial effect of the financial assistance described above on JBA is that JBA will have guaranteed all amounts payable under the Finance Documents and will have provided security over its assets to secure repayment of amounts owing with respect to the Facilities. The operations of JBA will also be restricted by the representations and undertakings given by JBA in the Facilities Agreement and the other Finance Documents. The Directors:

- a. Note that by giving the financial assistance, JBA will have substantially the same obligations under the Finance Documents as the Company and the other subsidiaries of the Company which are currently guarantors under the Facilities Agreement; and

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

- b. Do not currently believe that either the Company or any of its subsidiaries (including JBA) are likely to default in their obligations under the Finance Documents.

The financial assistance described above will allow the Company to comply with its obligations under the Facilities Agreement and, accordingly, avoid the Company triggering an “Event of Default” under the Facilities Agreement either now or in the future. If an Event of Default occurs under the Finance Documents, the funding under the Finance Documents may be required to be immediately repaid. The Directors do not believe there are any disadvantages to the Company of the proposed resolution.

### Further Information

The Financial Assistance Resolution is set out in the Notice that accompanies this Explanatory Memorandum. The Financial Assistance Resolution will be passed if at least 75% of the votes cast by shareholders entitled to vote on the resolutions are in favour of the resolution. Shareholders may vote either for or against the Financial Assistance Resolution.

As required by section 260B(5) of the Act, copies of the Notice and this Explanatory Memorandum as sent to the shareholders were lodged with the Australian Securities & Investments Commission prior to their dispatch to shareholders.

### Disclosure

The Directors consider that this explanation of Special Resolution 6 – Financial Assistance contains all information known to the Company that would be material to shareholders in deciding how to vote on the proposed Financial Assistance Resolution, other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

### Director’s Recommendation

The Directors note that the financial assistance contemplated by the Financial Assistance Resolution:

- Relates to the acquisition of JBA;
- Is required to assist the Company to comply with its obligations under its financing arrangements with the Financier now or in the future; and
- Will not result in the amount of the facilities provided by the Financier to, or the consolidated indebtedness of, the Company and its subsidiaries being increased.

The Directors unanimously recommend that the shareholders vote in favour of the Financial Assistance Resolution to approve the giving of financial assistance described in this Notice of Meeting.

### Resolution 7. Appointment of KPMG as Auditor

KPMG has held the office of auditor since 27 July 2015. Under section 327A(2) of the Act, KPMG holds office until the Company’s first AGM. Thereafter, section 327B(1)(a) of the Act requires IVE Group Limited to appoint an auditor at its first AGM. KPMG has given, and has not withdrawn, its consent to act as external auditor of IVE Group Limited.

In accordance with section 328B(1) of the Act, notice in writing nominating KPMG as auditor has been given to the Company by a shareholder. A copy of this notice is contained in Attachment A to this Notice.

*The Directors unanimously recommend Shareholders vote in favour of this Resolution.*

### Resolution 8. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables mid to small cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- a. it has a market capitalisation of \$300 million or less; and
- b. it is not included in the S&P/ASX 300 Index.



## Notice of Annual General Meeting (cont.)

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The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM. If the Company does not satisfy both criteria by the date of the AGM, the resolution will be withdrawn.

Accordingly, Resolution 8 is seeking approval of ordinary Shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Memorandum.

At the date of this Notice, the Company has on issue 89,180,901 fully paid ordinary shares and a capacity to issue:

- a. 13,377,135 equity securities under ASX Listing Rule 7.1; and
- b. 8,918,090 equity securities under ASX Listing Rule 7.1A, subject to approval of Resolution 8.

The actual number equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 8 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during a 10% placement period, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

### Information required by ASX Listing Rule 7.3A

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
  - a. the date on which the price at which the shares are to be issued is agreed; or
  - b. if the shares are not issued within 5 trading days of the date in paragraph a., the date on which the shares are issued.
- If Resolution 8 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this Resolution, to the extent that such equity securities are issued, including:
  - a. the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
  - b. the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date,  
which may have an effect on the amount of funds raised by the issue of the equity securities.
- The following table gives examples of the potential dilution of existing ordinary Shareholders on the basis of the market price of shares and the number of ordinary securities for variable "A", calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at 1 July 2016.

The table also shows:

- a. two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and



## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

- b. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the market price at 1 July 2016.

No. of Shares on Issue <sup>1</sup>	Dilution			
	Issue price (per Share)	\$1.10 50% decrease in Issue Price	\$2.20 Issue Price	\$4.40 100% increase in Issue Price
89,180,901 (Current)	Shares issued	8,918,090	8,918,090	8,918,090
	Funds raised	\$9,809,899.11	\$19,619,798.22	\$39,239,596.44
133,771,352 (50% increase)	Shares issued	13,377,135	13,377,135	13,377,135
	Funds raised	\$14,714,848.67	\$29,429,697.33	\$58,859,394.66
178,361,802 100% increase)	Shares issued	17,836,180	17,836,180	17,836,180
	Funds raised	\$19,619,798.22	\$39,239,596.44	\$78,479,192.88

- The table has been prepared on the following assumptions:
  - a. the Company issues the maximum number of equity securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
  - b. no unlisted Performance Share Rights in ordinary shares are exercised before the date of issue of ordinary shares under ASX Listing Rule 7.1A;
  - c. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
  - d. the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM;
  - e. the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
  - f. the issue of equity securities under the 10% Placement Facility consists only of shares; and
  - g. the issue price is \$2.20 per share<sup>2</sup>, being the closing price of the shares on ASX on 1 July 2016.
- If any of the shares being approved by this Resolution are issued, they will be issued during the placement period, that is, within 12 months of the date of the AGM (i.e. by 21 November 2017) and the approval being sought under Resolution 8 will cease to be valid if ordinary Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 21 November 2017.
- The Company may seek to issue the equity securities for the following purposes:
  - a. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of the Company's current assets and/or general working capital; or
  - b. non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.

1. Variable "A" in Listing Rule 7.1A.2

2. Closing price on 1 July 2016 was \$2.20 per share.

## Notice of Annual General Meeting (cont.)

Monday, 21 November 2016

- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of any equity securities that may be issued (subject to Shareholder approval of Resolution 8) have not been determined as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
  - a. the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing Shareholders;
  - b. The effect of the issue of equity securities on the control of the Company and balancing the interests of existing Shareholders. Allocation will be subject to takeover thresholds;
  - c. the financial situation and solvency of the Company and its need for working capital at any given time; and
  - d. advice from corporate, financial and broking advisors (if applicable).
- As this is the Company's first AGM since its admission to the official list in December 2015, the Company has not previously sought or obtained approval under ASX Listing Rule 7.1A.

A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. Potential allottees under the 10% Placement Facility (should it be approved) have not been identified as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company.

Resolution 8 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

*The Directors unanimously recommend Shareholders vote in favour of this Resolution.*

**Attachment A**

**Notice of Nomination of Auditor – IVE Group Limited**

30 September 2016

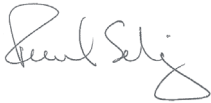
IVE Group Limited

Dear Company Secretary,

NOMINATION OF KPMG AS AUDITOR OF IVE GROUP LIMITED (ABN 62 606 252 644)

I, as a director of Caxton Print Holdings ATF Selig Family Trust (Caxton), and Caxton being a shareholder of IVE Group Limited, nominate KPMG for the appointment as auditor of IVE Group Limited at its 2016 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2016 Annual General Meeting of IVE Group Limited as required by section 328B(3) of the Corporations Act 2001 (Cth).



**Paul Selig**

Director

Caxton Print Holdings ATF Selig Family Trust

