

# **IVE GROUP LIMITED**

**ABN 62 606 252 644**

# **NOTICE OF ANNUAL GENERAL MEETING**

**THURSDAY, 16 NOVEMBER 2017**



13 October 2017

Dear Shareholder,

On behalf of the Directors of IVE Group Limited (**IVE Group**), I am pleased to invite you to attend the 2017 Annual General Meeting (**AGM**) of IVE Group. Enclosed is the Notice of Meeting setting out the business of the AGM.

IVE Group's 2017 AGM will be held on Thursday, 16 November 2017 commencing at 10:00am (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 10:00am (Sydney time) on Tuesday, 14 November 2017 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.

I encourage you to vote online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and at the same time I encourage you to elect to receive document from IVE Group electronically.

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

Thursday, 16 November 2017

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: Thursday, 16 November 2017

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 2017.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2017 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. Re-Election of Director – Paul Selig

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

*"That Paul Selig, 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 2. Re-Election of Director – James Todd

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

*"That James Todd, 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 2017, as set out in the Directors' Report, is adopted."*

The Remuneration Report is contained in the 2017 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.)

Thursday, 16 November 2017

### 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 2017 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 – 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 67,567 performance share 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

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 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 Resolution 4.

However, the Company need not disregard a vote cast on Resolution 4 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 Resolution 4 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting because the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

By Order of the Board



**Darren Dunkley**

Company Secretary

13 October 2017

## Notice of Annual General Meeting (cont.)

Thursday, 16 November 2017

### 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 Tuesday, 14 November 2017 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 Tuesday, 14 November 2017 (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 Tuesday, 14 November 2017, 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 Resolutions 3 and 4, 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.)**

Thursday, 16 November 2017

### **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 Thursday, 9 November 2017. 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.)

Thursday, 16 November 2017

### 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 Thursday, 16 November 2017 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 and 4 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 1. and 2. Re-Election of Directors

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 Selig and Mr Todd be put to shareholders for re-election in accordance with clause 7.1(f) of the Constitution. Mr Selig and Mr Todd are each eligible for re-election.

#### Resolution 1. Re-Election of Director – Paul Selig

Paul Selig was appointed as a Non-executive Director of the Company on 10 June 2015.

Mr Selig has over 25 years' experience in the industry and is currently Managing Director of Caxton Group, the Selig family's private investment vehicle.

In 2010, Mr Selig was appointed a director of Caxton Web following its acquisition by Caxton Group.

He became a director of IVE Group following the purchase of Blue Star's Australian operations, of which he was Chief Executive Officer from 1997 until 2001, in partnership with Wolseley Private Equity.

Mr Selig is currently a director of Caxton Group, Caxton Property Investments and Caxton Print Holdings.

He holds a Bachelor of Economics (Hons) from Macquarie University.

The Directors, with Paul Selig abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

#### Resolution 2. Re-Election of Director – James Todd

James Todd was appointed as a Non-executive Director of the Company on 10 June 2015.

Mr Todd was appointed non-executive chairman of Caxton Print Group Holdings (IVE's predecessor company) in November 2012 and became a non-executive director in September 2014 when Geoff Selig was appointed Executive Chairman.

Mr Todd is an experienced company director, corporate adviser and investor. He is Managing Director of Wolseley Private Equity, an independent private equity firm which he co-founded in 1999. He commenced his career in investment banking with Hambros Bank, both in Sydney and London, and has taken active roles with, and invested in, a range of public and private companies.

Mr Todd also served as a Council Member of the Australian Private Equity and Venture Capital Association (AVCAL), where he was chair of the AVCAL Growth Funds Committee.

Mr Todd holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales, and a Graduate Diploma from the Financial Services Institute of Australia (FINSIA), where he is a Fellow. He is also a Member of the Australian Institute of Company Directors.

Mr Todd is a member of the Audit, Risk and Compliance and Nomination and Remuneration committees.

The Directors, with James Todd abstaining, unanimously recommend Shareholders vote in favour of this Resolution.



## Notice of Annual General Meeting (cont.)

Thursday, 16 November 2017

### 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. Issue of Rights under the IVE Group Equity Incentive Plan to Warwick Hay

Please refer to the Company's Remuneration Report in the 2017 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 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 67,567 Rights to 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 Hay is required. Approval of this resolution will result in the grant of Rights to 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 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 Hay.

## Notice of Annual General Meeting (cont.)

Thursday, 16 November 2017

### 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 \$1.48, with the number of Rights granted rounded down to the next whole number.

It is proposed that Mr Hay be granted 67,567 Rights. This has been calculated by dividing the total face value of \$100,000 by \$1.48 (fair value). The Rights will be granted to 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 2018 and ending on 30 June 2021 (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 issue 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.)

Thursday, 16 November 2017

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 Rights, respectively.

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 2021 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 Mr Hay:

- 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, (the **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 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 Mr Hay 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 Mr Hay ceases employment due to termination for cause, all of the unvested Rights will lapse unless the Board determines otherwise;
  - If Mr Hay 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 Mr Hay 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 Mr Hay 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.)

Thursday, 16 November 2017

### 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 Resolution 4:

- Warwick Hay is a Director of the Company.
- The number of Rights to be awarded to Warwick Hay has been calculated by dividing the value of the applicable Plan award by \$1.48 (being the fair value of the Rights) –  $\$100,000/\$1.48 = 67,567$  Rights. The Rights will be granted for nil financial consideration.
- Geoff Selig and Warwick Hay have each received 32,817 Rights under the Plan since the last approval which was at the 2016 AGM. The Rights were granted following approval by shareholders at the 2016 AGM. The Rights were granted for nil financial consideration.
- 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 Resolution 4 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 12 months 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 Directors (apart from Mr Hay), who do not have an interest in the outcome of the relevant resolution, unanimously 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 Directors, Executives and that the proposed grant of Rights to Mr Hay is appropriate taking into account his level of experience and contribution to the Company;
- The Directors consider that the proposed number of Rights to be granted to Mr Hay is appropriate to:
  - Motivate 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.