

# **IVE GROUP LIMITED**

**ABN 62 606 252 644**

# **NOTICE OF ANNUAL GENERAL MEETING**

**TUESDAY, 20 NOVEMBER 2018**

19 October 2018

Dear Shareholder,

On behalf of the Directors of IVE Group Limited (**IVE Group**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of IVE Group. Enclosed is the Notice of Meeting setting out the business of the AGM.

IVE Group's 2018 AGM will be held on Tuesday, 20 November 2018 commencing at 10:00am (Sydney time) in the Establishment Room II at Establishment, 252 George St 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 Sunday, 18 November 2018 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 on 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 documents 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

Tuesday, 20 November 2018

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: Tuesday, 20 November 2018

Time: 10:00am (Sydney time)

Venue: Establishment Room II, Establishment, 252 George 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.

### 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 2018.

All shareholders can view the Annual Report which contains the Financial Report, the Directors' Report, and the Independent Auditor's Report of the Company for the year ended 30 June 2018 on the Company's website at [www.ivegroup.com.au](http://www.ivegroup.com.au).

### 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.

### ITEMS FOR APPROVAL

#### Ordinary business:

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

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

*"That Geoff 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. 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 2018, as set out in the Directors' Report, is adopted."*

The Remuneration Report is contained in the 2018 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.)

Tuesday, 20 November 2018

### Voting Exclusion Statement

A vote on Resolution 2 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 2018 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 2 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.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 2 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 where 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.

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

### Resolution 3. Approval to issue securities under the Equity Incentive Plan

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

*That for the purposes of ASX Listing Rule 7.2, exception 9 and all other purposes, the IVE Group Equity Incentive Plan, as described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting be approved for the issue of securities under the IVE Group Equity Incentive Plan.*

### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a. a Director of the Company who is eligible to participate in the IVE Group Equity Incentive Plan; or
- b. an associate of any of those Directors.

However, the Company need not disregard a vote cast on Resolution 3 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.

The Non-Executive Directors are ineligible to participate in the IVE Group Equity Incentive Plan and this is the only employee incentive scheme. As a result, Non-Executive Directors will not be excluded from voting on Resolution 3.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 3 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 where 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.

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

### **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 130,718 performance share 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.”*

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. a Director of the Company who is eligible to participate in the IVE Group Equity Incentive Plan; or
- b. an associate of any of those Directors.

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.

The Non-Executive Directors are ineligible to participate in the IVE Group Equity Incentive Plan and this is the only employee incentive scheme. As a result, Non-Executive Directors will not be excluded from voting on Resolution 4.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), 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 where 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.

### **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 130,718 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 in favour of Resolution 5 by or on behalf of:

- a. a Director of the Company who is eligible to participate in the IVE Group Equity Incentive Plan; or
- b. an associate of any of those Directors.

However, the Company need not disregard a vote cast on Resolution 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.

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

The Non-Executive Directors are ineligible to participate in the IVE Group Equity Incentive Plan and this is the only employee incentive scheme. As a result, Non-Executive Directors will not be excluded from voting on Resolution 5.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 5 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 where 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

19 October 2018

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

### 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 Sunday, 18 November 2018 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 Sunday, 18 November 2018 (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 Sunday, 18 November 2018, 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 2, 3, 4 and 5, 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.)**

Tuesday, 20 November 2018

### **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 Tuesday, 13 November 2018. 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.)

Tuesday, 20 November 2018

### 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 Tuesday, 20 November 2018 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, 3, 4 and 5 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution. Resolution 2, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

#### **Resolution 1. Re-Election of Director – Geoff Selig**

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

Geoff Selig was appointed as a Director of the Company on 10 June 2015.

Geoff is the Executive Chairman of the Company and has been a director of the Group since November 2012. Geoff has over 30 years' experience in the marketing communications sector. Geoff was managing director of the IVE Group prior to moving in to the role of executive chairman following the Company's listing on the ASX in December 2015.

Geoff is a director Caxton Group and Caxton Print Holdings, and also sits on the board of The Pinnacle Foundation and The Lysicrates Foundation. He was the State President of the NSW Liberal Party from 2005–8.

Geoff holds a Bachelor of Economics from Macquarie University and is a member of the Australian Institute of Company Directors.

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

#### **Resolution 2. 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.*

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

### **Resolution 3. Approval to issue securities under the IVE Group Equity Incentive Plan**

ASX Listing Rule 7.1 restricts listed companies from issuing more than 15% of their issued share capital in any 12-month period without shareholder approval. Listing Rule 7.2, exception 9 provides an exception to ASX Listing Rule 7.1 such that an issue under an employee incentive scheme is not calculated as part of the 15% limitation if, within three years before the issue date one of the following occurred:

- in the case of a scheme established before the entity was listed, a summary of the terms of the scheme were set out in the Prospectus; or
- shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1 in accordance with the Listing Rules.

A summary of the terms of the IVE Group Equity Incentive Plan (**Plan**) were set out in the Company's Prospectus released to ASX on 16 December 2015. This is the first time since the Company's listing on ASX that shareholders are being asked to approve the Plan.

If the Plan is approved by shareholders, issues of securities under the Plan over the next three years will fall under ASX Listing Rule 7.2 exception 9 and will not affect the Company's ability to separately issue up to 15% of its total ordinary securities in any 12-month period without having to obtain shareholder approval. However, exception 9 does not apply to Directors and their associates, who are deemed related parties of the Company, and issues to such persons will require separate approval under Listing Rule 10.14.

### **Background**

In the lead up to the Company's IPO in 2015, the Company's Board of Directors established an Equity Incentive Plan. The objective of the Plan is to provide a mechanism for achieving the Company's overarching remuneration objectives of aligning the interests of staff and shareholders, with a view to driving superior outcomes for shareholders. Under the Equity Incentive Plan, the key terms of which are outlined in Annexure A, shares, performance rights and share options may be granted to 'eligible employees'.

Since the Company's listing in December 2015, 683,324 Performance Rights have been issued under the Plan.

A copy of the Plan Rules is available on our website ([www.ivegroup.com.au](http://www.ivegroup.com.au)).

In accordance with ASX Listing Rule 7.2, exception 9, a summary of the key terms of the Plan is set out in Attachment A.

*The Directors, with Messrs Geoff Selig, Paul Selig and Warwick Hay (who are currently eligible to participate in the Plan) abstaining, unanimously recommend Shareholders vote in favour of this Resolution.*

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

Please refer to the Company's Remuneration Report in the 2018 Annual Report for details on the Company's approach to remuneration which includes fixed and at risk remuneration.

Resolutions 4 and 5 deal with the proposed grant of performance share rights (**Rights**) to Mr Geoff Selig, Executive Chairman (Resolution 4) and Mr Warwick Hay, Managing Director (Resolution 5), to acquire fully paid ordinary shares (**Shares**) in the Company under the IVE Group Equity Incentive Plan (**Plan**). The Company has agreed, subject to obtaining shareholder approval, to grant a maximum of 130,718 Rights to Mr Selig and 130,718 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 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.

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

### Purpose of the Plan

The Company has established the Plan to assist in the motivation, retention and reward of senior management. A summary of the key terms of the Plan is set out in Annexure A.

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

### 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 \$1.53, with the number of Rights granted rounded down to the next whole number.

It is proposed that each of Mr Selig and Mr Hay be granted 130,718 Rights. This has been calculated by dividing the total face value of \$200,000 by \$1.53 (fair value). The Rights will be granted to each of 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 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).

## Notice of Annual General Meeting (cont.)

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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%

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 Selig and 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 Selig’s and Mr Hay’s names.

### 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 Selig and Mr Hay are entitled upon vesting in accordance with the Listing Rules or in a manner that the Board considers appropriate.

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

- In the event of cessation of employment, unvested Rights will be treated as follows:
  - If Mr Selig or Mr Hay cease employment due to termination for cause, all of the unvested Rights will lapse unless the Board determines otherwise;
  - If Mr Selig or Mr Hay cease 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 Selig or Mr Hay cease 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 Selig or Mr Hay cease 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.

### 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 5 and 6:

- Geoff Selig and Warwick Hay are Directors of the Company.
- The number of Rights to be awarded to Geoff Selig has been calculated by dividing the value of the applicable Plan award by \$1.53 (being the fair value of the Rights) ie  $\$200,000/\$1.53 = 130,718$  Rights. The Rights will be granted for nil financial consideration.
- The number of Rights to be awarded to Warwick Hay has been calculated by dividing the value of the applicable Plan award by \$1.53 (being the fair value of the Rights) ie  $\$200,000/\$1.53 = 130,718$  Rights. The Rights will be granted for nil financial consideration.
- Warwick Hay has received 67,567 Rights under the Plan since the last approval which was at the 2017 AGM. The Rights were granted following approval by shareholders at the 2017 AGM. The Rights were granted for nil financial consideration. No other Rights have been granted to directors since the last approval at the 2017 AGM.
- Under the terms of the Plan, all Executive Directors are entitled to participate in the Plan, being Mr Geoff Selig, Mr Paul 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 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 Selig and Mr Hay in relation to the grant of their individual Rights), 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 and that the proposed grant of Rights to Mr Selig and Mr Hay are 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 each of 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.

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

### Attachment A

The key terms of the IVE Group Equity Incentive Plan are as follows:

Where applicable, defined terms have the same meaning as provided in the IVE Group Equity Incentive Plan Rules as available on the IVE Group website ([www.ivegroup.com.au](http://www.ivegroup.com.au)).

Feature	Terms of the IVE Group Equity Incentive Plan
<b>Eligibility</b>	Offers may be made at the Board's discretion to employees of the Company or its related bodies corporate (including a director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of securities under the Plan.
<b>Types of security</b>	<p>The Plan provides flexibility for the Board to grant one or more of the following securities subject to the terms of the individual offer at the relevant time:</p> <ul style="list-style-type: none"> <li>• performance share rights</li> <li>• options</li> <li>• restricted shares</li> </ul> <p>Options are an entitlement to receive an ordinary Share upon satisfaction of specified conditions and payment of a specified exercise price. Performance share rights and restricted shares are an entitlement to receive an ordinary Share for no consideration upon satisfaction of specified conditions. Unless otherwise specified in an offer document, the Board has the discretion to settle performance rights or options with a cash equivalent payment.</p>
<b>Offers of equity</b>	The Board may make offers of any form of security at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer performance share rights, options and restricted shares in individual offer documents. Offers can be made on an opt-in or opt-out basis.
<b>Consideration payable</b>	Unless the Board determines otherwise, no payment is required for a grant of a performance right, option or restricted share under the Plan.
<b>Vesting</b>	<p>Vesting of performance rights, options and restricted shares under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Options must be exercised by the employee and the employee is required to pay the exercise price before Shares are allocated.</p> <p>Subject to the Plan Rules and the terms of the specific offer document, any performance rights, options or restricted shares will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.</p>

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

Feature	Terms of the IVE Group Equity Incentive Plan
<b>Rights attaching to performance share rights, shares and options</b>	<p>A Performance Share Right or Option has no rights other than those under the Plan and advised in the Offer Letter and do not have any entitlement to any dividend or voting rights.</p> <p>Unless otherwise limited by the Plan Rules or under an agreement of the Shareholders of the Company, a Participant will be entitled to all rights attaching to the Shares (including Restricted Shares) once registered in the Participant's name including:</p> <ul style="list-style-type: none"> <li>(i) an entitlement to receive any dividend paid in relation to those Shares;</li> <li>(ii) the right to exercise any voting rights attaching to those Shares, or appoint a proxy to represent and vote for him or her, at any meeting of the members of the Company;</li> <li>(iii) any bonus shares that are issued in respect of the Shares will be issued to the Participant and will be held by the Participant as Shares subject to the same terms, conditions and restrictions on Dealing (if any) as applicable to the Shares in respect of which they were issued; and</li> <li>(iv) if rights arise on a rights issue in respect of the Shares, the Participant may deal with or exercise those rights.</li> </ul>
<b>Cessation of employment</b>	<p>The Plan Rules provide that on cessation of employment performance rights, options or restricted shares will continue on the terms granted unless the Board determines otherwise.</p> <p>The Board has a broad discretion in relation to the treatment of entitlements on cessation of employment except that the Board is prohibited from providing a benefit that would cause the Company to be in breach of Part 2D.2 of the Corporations Act insofar as it would relate to a termination benefit.</p>
<b>Clawback of equity</b>	<p>The Plan Rules provide the Board with broad 'clawback' powers if, amongst other things, the Participant has acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought the Company or its related bodies corporate into disrepute, or there is a material financial misstatement, or the Company is required or entitled under law or Company policy to reclaim remuneration from the Participant, or the Participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.</p>
<b>Change of control</b>	<p>The Plan Rules provide that if a 'Control Event' occurs, the Board has the absolute discretion to determine whether none, some, or all of a Participant's performance rights, options or restricted shares will vest or cease to be subject to restrictions unless the specific terms of the relevant offer specify otherwise.</p>
<b>No hedging</b>	<p>A Participant is prohibited from entering into any arrangement including but not limited to any financial product which operates to limit the economic risk of the Restricted Shares, Performance Share Rights or Options prior to vesting or becoming exercisable as relevant. Where a participant enters into any arrangement in breach of this rule, the Restricted Share, Performance Share Right and/or Option will lapse, unless the Board determines otherwise.</p>

## Notice of Annual General Meeting (cont.)

Tuesday, 20 November 2018

<b>Feature</b>	<b>Terms of the IVE Group Equity Incentive Plan</b>
<b>Discretion of the Board</b>	Any power or discretion which is conferred on the Board under the Plan may be exercised in the interests and for the benefit of the Company, and is not subject to any fiduciary or other obligation to any other person.
<b>Legal compliance</b>	Notwithstanding any rule in the Plan Rules, securities will not be allocated, issued, acquired, transferred or otherwise dealt with under the Plan if to do so would:  (a) contravene the Corporations Act, the Listing Rules, or any other applicable laws; or  (b) require the Company to pay, provide, or procure the payment or provision of, any money or benefits to the Participant which would require shareholder approval under Part 2D.2, Division 2 of the Corporations Act.
<b>Other terms</b>	The Plan Rules contain the usual terms for dealing with administration, variation, suspension and termination of the Plan.