

## 2020 Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**Meeting**) of 3P Learning Limited (**Company**) will be held at the 3P Learning Limited Head Office, at 124 Walker Street, North Sydney NSW 2060 on Thursday, 21 January 2021 at 2.00pm (AEDT) for the purpose of transacting the business set out in this notice.

### Special arrangements due to COVID-19

3PL Shareholders are encouraged to consider lodging a direct vote or appointing a proxy to attend and vote at the Meeting in the event they are not able to participate in the Meeting. Further details on how to lodge a direct vote and appoint a proxy are provided in the explanatory notes to this Notice of Meeting. If it becomes necessary to make further alternative arrangements for holding the Scheme Meeting due to Federal and State government directions or due to increase health risks created by the COVID-19 pandemic, we will ensure 3PL shareholders are given as much notice as possible. Any changes to the dates and the conduct of the Meeting will be announced by 3PL to the ASX.

### Items of Business

#### 1. Receipt of Annual Financial Report

To receive the financial statements, Directors' report and Auditor's Report for the financial year ended 30 June 2020.

Please note no resolution is required for this item of business.

#### 2. Adoption of the 2020 Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2020 be adopted."

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

A voting exclusion statement applies to this item of business.

#### 3. To re-elect Mr Samuel Weiss as a Director

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

"That Mr Samuel Weiss, who retires in accordance with rule 10.3 of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

#### 4. Approval of the grant of Performance Rights to the Chief Executive Officer

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

"That approval is given for the grant of 425,950 performance rights under the Company's long-term incentive plan, under ASX Listing Rule 10.14, to the Chief Executive Officer, Ms Rebekah O'Flaherty, in the manner set out in the Explanatory Notes, and that this approval be for all purposes."

A voting exclusion statement applies to this item of business.

#### 5. Approval of Proportional Takeover Provisions

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

“That, pursuant to sections 136(2) and 648G of the Corporations Act 2001 (Cth), the proportional takeover provisions in the form set out in Annexure B to the Explanatory Notes to this Notice of Meeting, be renewed in the Company’s Constitution as articles 6.9 to 6.13 (inclusive), for a period of three years from the date of this meeting.”

## Voting Exclusion Statements

In accordance with ASX listing Rule 14.11, the Company will disregard:

- any votes cast in favour of Item 4 by or on behalf of the CEO or her associates.

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

- any person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair of the Meeting to vote on the resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

In addition, Items 2 and 4 are resolutions connected directly or indirectly with the remuneration of Key Management Personnel (**KMP**). The Company will disregard any votes cast on these Items by or on behalf of a member of the Company's KMP named in the Company's 2020 Remuneration Report or their closely related parties (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Excluded Persons**)), regardless of the capacity in which the vote is cast.

Additionally, the Company will disregard any votes cast on Items 2 and 4 by an Excluded Person acting as proxy for a person entitled to vote, unless:

- the vote is cast in accordance with the directions on the Proxy Form; or
- the vote is cast by the Chair of the Meeting and the proxy expressly authorises the Chair of the Meeting to exercise the proxy even though Items 2 and 4 are connected directly or indirectly with the remuneration of KMP.

Further information in relation to each resolution to be considered at the Annual General Meeting is set out in the enclosed Explanatory Notes. The information for shareholders and Explanatory Notes form part of this Notice of Annual General Meeting.

By order of the Board



Jia Chen (Liz) Wang  
Company Secretary  
18 December 2020

## Proxies and voting

### Eligibility to vote

The directors have determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that persons who are registered holders of shares of the Company as at 7.00pm (AEDT) on Tuesday 19 January 2021 will be eligible to vote at the Meeting as a shareholder. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Meeting.

### Appointing a proxy

If you are entitled to attend and vote at the Meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of the Company, and may be an individual or a body corporate. A personalised proxy form is included with this Notice of Meeting. If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact the Company's share registry, Link Market Services Limited on +61 1300 554 474 or at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au).

If you appoint a proxy, the Company encourages you to consider directing them how to vote by marking the appropriate box on the proxy form for each of the proposed Resolutions. Please be aware of the voting exclusions that apply to resolutions 2 and 4.

If you appoint the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default) and you do not direct your proxy how to vote on a Resolution, you will be authorising the Chairman to vote as he decides on the relevant Resolution (even though Resolutions 2 and 4 are connected with the remuneration of members of the KMP). On a poll, the Chairman of the meeting intends to vote undirected proxies **in favour** of all resolutions. If you do not want the Chairman of the meeting to vote, as your proxy, as indicated above, you must direct your proxy how to vote, or to abstain from voting on, the relevant Resolution by marking the appropriate box on the proxy forms.

### Lodging your proxy form

To be effective for the scheduled meeting, a proxy appointment (and any power of attorney or other authority under which it is signed or otherwise authenticated, or a certified copy of that authority) must be received no later than 2:00pm (AEDT) on Tuesday, 19 January 2021 (being 48 hours before the commencement of the meeting). Any proxy appointment received after that time will not be valid for the scheduled meeting.

Online: Login to the Link website ( [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) ) using the holder details. Select "Voting" and follow the prompts to lodge your vote. To use the online lodgment facility, shareholders will need their Securityholder Reference Number (SRN) or Holder Identification Number (HIN). You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

By mail: 3P Learning Limited  
C/- Link Market Services Limited  
Locked Bag A14

Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

Delivery: Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

For more information concerning the appointment of proxies and the ways in which proxy appointments may be submitted, please refer to the enclosed proxy form.

### Attending the Meeting

If you attend the Meeting, please bring your personalised proxy form with you. The barcode at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the Meeting but representatives from Link Market Services Limited will need to verify your identity.

### Corporate shareholders

Corporate shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the Company's representative. Shareholders can download and fill out an "Appointment of Corporate Representative" form from the Link website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

A corporate representative must provide written evidence of their appointment to the Company's share registry by 2.00pm (AEDT) on Tuesday 19 January 2021.

### Questions from Shareholders

The Chairman of the meeting will allow a reasonable opportunity for shareholders at the meeting to ask questions about and make comments on the management of the Company and on the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report (collectively, 'Reports'), as well as each of the Resolutions to be considered at the meeting.

A representative of the Company's auditor, EY, will attend the meeting. During the Meeting's consideration of the Reports, the Chairman of the Meeting will allow a reasonable opportunity for shareholders at the Meeting to ask the auditor's representative questions relevant to the:

- conduct of the audit;
- preparation and content of the Auditor's Report for the financial year ended 30 June 2020;
- accounting policies adopted by the Company in relation to the preparation of the financial statements contained in the Financial Report for that year; and
- independence of the auditor in relation to the conduct of the audit.

If you wish to submit a question in advance of the meeting, you may do so by sending your question by no later than 5 business days before the date of the meeting. Questions should be directed to the Company using the "Contact 3P" details available at: <http://www.3plearning.com/investors/shareholders/> or by sending them to the Company Secretary, 3P Learning, Level 18, 124 Walker St, North Sydney NSW 2060 at [investors@3plearning.com](mailto:investors@3plearning.com) (please include

your full name and SRN). The most frequently asked questions, together with answers, will be made available online at <http://www.3plearning.com/investors/shareholders/>.

## Explanatory Notes

These Explanatory Notes form part of the Notice of Meeting and are intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions. The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions.

### Item 1 – Consideration of the Financial Statements and Report

In accordance with section 317 of the Corporations Act, the Company is required to lay before the Annual General Meeting the reports of the Directors and Auditors, for the year ended 30 June 2020; and the Financial Report, including the Financial Statements of the Company, for the year ended 30 June 2020.

Shareholders will be able to ask questions and direct written questions received in advance to the Company's auditor, Ernst & Young (the Auditor), if the question is relevant to:

- The content of the Auditor's Report to be considered at the Meeting; or
- The conduct of the audit of the Financial Report to be considered at the Meeting.

There is no requirement for a formal resolution on this item. Accordingly, there will be no formal resolution put to the AGM.

### Item 2 – Adoption of the 2020 Remuneration Report

The Remuneration Report is presented within the Directors' Report on pages 11 to 21 of the Company's 2020 Annual Report and is also available on the Company's website at <http://www.3plearning.com/investors/>. It sets out the remuneration policy for the Company and explains the remuneration arrangements in place for non-executive directors, the CEO and other KMP.

In accordance with section 250R(2) of the Corporations Act, the Company is required to present its Remuneration Report to shareholders and shareholders will be asked to vote on this item. The vote is advisory only and is not binding on the Directors or the Company. However, the Directors will have regard to the outcome of the vote and the discussion at the Meeting when determining the Company's remuneration policy.

A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

#### **Recommendation**

The Board unanimously recommends that shareholders vote in favour of Item 2.

The Chairman of the Meeting intends to vote all undirected proxies in favour of this item of business.

### Item 3 – To re-elect Mr Samuel Weiss as a Director

#### Independent Non-Executive Director and Chairman (AB, MS, FAICD)

Mr Weiss is a Non-executive Director who joined the Board of the Company in June 2014. In accordance with rule 10.3 of the Company's Constitution, Mr Weiss retires by rotation and being eligible to stand for re-election, has offered himself for re-election.

Mr Weiss is the Chairman of the Company and a member of the Audit and Risk Committee as well as a member of the People and Culture Committee. Mr Weiss has significant experience as a senior executive and as a non-executive director in education, technology and consumer product companies in Australia, North America, Europe and Asia. Mr Weiss is also Chairman of Altium Limited (ASX: ALU).



#### **Recommendation**

The Board (other than Mr Weiss in relation to his own re-election) unanimously recommends that shareholders vote in favour of Item 3.

The Chairman of the Meeting intends to vote all undirected proxies in favour of this item of business.

### Item 4 - Approval of the grant of Performance Rights to the Chief Executive Officer

The performance of the Group depends upon the quality of its executives and to prosper the Group must attract, motivate and retain highly skilled executives.

The Group's executive reward framework comprises, fixed remuneration as well as 'at risk' short term and long-term incentives, based on the objectives to:

- increase revenue and licence growth and profitability;
- align executive rewards with the achievement of strategic objectives and the delivery of shareholder value; and
- provide competitive remuneration packages that recognise both individual and organisational performance,

with the following guiding principles applied to the current remuneration framework, and any potential changes to that framework:

- aligned to long term value creation
- fair for all stakeholders
- simple to understand and administer
- motivating to executives
- explicitly encourages more executive ownership of the Company.



As part of its remuneration framework, the Board adopted the 3P Learning Long Term Incentive Plan (**Plan**) in 2015 and information about grants made under the Plan can be found in the Company's FY20 Remuneration Report.

The structure of grants made under the Plan in FY21 will remain the same as in FY20. The Board believes that the best way to align the executive leadership team with the expectations of shareholders for capital appreciation is to create an "owner operator" culture with significant equity incentives for outstanding performance and long-term commitment to the Company. The Board will continue to explore alternatives that may better support 3P Learning's remuneration framework as the business develops.

*What are shareholders being asked to approve?*

The Board is seeking the approval of shareholders for the grant of 425,950 performance rights under the Plan (and the delivery of Shares upon vesting of performance rights) to the Chief Executive Officer (**CEO**) and Director, Ms Rebekah O'Flaherty, under ASX Listing Rule 10.14.1, as the long-term incentive (**LTI**) component of her remuneration for the financial year ending 30 June 2021. Each performance right is a right to receive one share in the Company upon vesting. The Group refers to this grant as the "FY21 LTI Grant" as the performance rights are proposed to be issued in FY21. Further details of the Plan are set out in this item below and in Annexure A to this Notice of Meeting.

*Why is shareholder approval required?*

The approval sought from shareholders is for all purposes, including ASX Listing Rule 10.14 and the allotment of shares on vesting of the performance rights in future years. ASX Listing Rule 10.14 requires shareholder approval before a Director may acquire securities in the Company under an employee incentive scheme (such as the Plan). If this resolution is passed, the Company will be able to proceed with the grant of performance rights to Ms O'Flaherty which will vest if the performance conditions are met. If this resolution is not passed, the Company will not be able to proceed with a grant of performance rights to Ms O'Flaherty. If approval is given by shareholders under listing rule 10.14, approval is not required under listing rule 7.1.

The following information is provided to shareholders to assist them in determining whether to approve the proposed grant of performance rights to Ms O'Flaherty under Resolution 4 for all purposes including listing rule 10.14.

*Summary of the material terms of the LTI grant*

Pursuant to her employment contract, Ms O'Flaherty is eligible for an annual equity based LTI with value of up to 50% of her fixed annual remuneration (**FAR**) at target. The number of 'at target' performance rights to be issued to Ms O'Flaherty is calculated by dividing the dollar value of her LTI award opportunity (\$325,000 equivalent to 50% of FAR) by the value per right. The value per right was determined on a face value basis using a twenty-day VWAP over the two weeks before and two weeks after the release of the Company's FY20 full year results (**Face Value**), being \$1.1445.

'At Target' LTI Opportunity = 50% of FAR (\$325,000) divided by the Face Value of a right (being \$1.1445)  
= 283,967 performance rights

It is also proposed to grant 'Stretch' performance rights equal to an additional 50% of 'At Target' performance rights which vest if the 'at target' hurdle(s) are exceeded (i.e. an additional 141,983 performance rights).

Accordingly, the total number of performance rights to be issued, and the maximum number of ordinary shares that will be received by Ms O'Flaherty upon satisfaction of the vesting hurdles over the performance period, is 425,950.

#### *Additional information*

Ms O'Flaherty's current total remuneration package, on an annual basis, comprises FAR of \$650,000 (inclusive of superannuation), an STI component (at Target level) of \$325,000 and an LTI component (at Target level) of \$325,000, for a total remuneration potential of \$1,300,000.

As the performance rights form part of Ms O'Flaherty's remuneration package, no money is payable by Ms O'Flaherty on the grant of the performance rights or on vesting of a performance right. The exercise price for performance rights is nil. Performance rights are exercised automatically on vesting and lapse immediately if they fail to vest on the performance test date.

No loan applies in relation to the acquisition by the CEO of securities under the Plan. Dividends are only paid (and voting rights only attach) to shares issued on vesting of the performance rights.

If shareholders approve the resolution, then the performance rights will be granted to Ms O'Flaherty as soon as practicable after the date of the Meeting but in any event no later than 12 months after the meeting (i.e. by no later than 21 January 2022).

Ms O'Flaherty is the only Director eligible to participate in the Plan. Non-executive Directors are ineligible to participate in the Plan.

Details of any securities issued under the LTI Plan will be published in 3PL's Annual Report for the year relating to the issue of the securities, including a statement that shareholder approval has been obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who becomes eligible to participate in securities issues under the LTI Plan after this resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.

A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

#### ***Recommendation***

The Board (with Ms O'Flaherty abstaining) unanimously recommends that shareholders vote in favour of Item 4. Ms O'Flaherty does not make a recommendation in respect of the resolution in view of her personal interest in the resolution.

The Chairman of the Meeting intends to vote all undirected proxies in favour of this item of business.

#### **Item 5 – Approval of Proportional Takeover Provisions**

The *Corporations Act* permits a company to include in its Constitution provisions prohibiting the registration of a transfer of securities resulting from a proportional takeover bid unless the relevant holders of the securities in a meeting approve the bid.

A proportional takeover bid is a takeover bid made to all shareholders for the acquisition of their shares, however, the offer made to each shareholder is only for a specified proportion of that shareholder's shares (and that proportion is the same for all shareholders). Accordingly, if a shareholder accepts the offer under a proportional takeover bid in full, the shareholder will dispose of the specified portion of their shares in the company and retain the balance of the shares.

Once approved, the provisions relating to proportional takeovers have effect for 3 years from the date of adoption and will then cease to apply unless renewed by special resolution of the company.

The Company's Constitution, and consequently the proportional takeover provisions at articles 6.9 to 6.13 were adopted on 9 July 2014, prior to the IPO of the Company, and was renewed at the Company's Annual General Meeting on 9 November 2017.

Approval is now sought to include those same proportional takeover provisions in the Constitution with effect for three years from the date of the Meeting. No other changes to the Constitution are proposed.

A copy of the Company's constitution can be found on the Company's website (<http://www.3plearning.com/investors/governance/>).

#### *Effect of the proportional takeover provisions*

If the proportional takeover provisions are renewed and a proportional takeover bid is made, the Directors must convene a meeting of holders of the relevant securities to vote on a resolution to approve that bid. The meeting must be held, and the resolution voted on, before the fourteenth day before the offer period under the bid ends.

To be passed, the resolution must be approved by a majority of votes at the meeting, excluding votes by the bidder and its associates. However, the *Corporations Act* also provides that, if the meeting is not held within the time required, then a resolution to approve the proportional takeover bid will be deemed to have been passed.

If the resolution to approve the proportional takeover bid is passed or deemed to have been passed, the transfer of securities resulting from acceptance of an offer under that bid will be permitted, and the transfers registered, subject to the *Corporations Act* and the Constitution of the Company.

If the resolution is rejected, the registration of any transfer of shares resulting from an offer under the proportional takeover bid will be prohibited, and the bid deemed to be withdrawn.

Articles 6.9 to 6.13 of the Constitution, if approved, will not apply to full takeover bids.

#### *Potential advantages and disadvantages*

The Board considers that shareholders should have the opportunity to vote on a proposed proportional takeover bid. The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for Directors, other than those for shareholders.

Potential advantages for shareholders include:

- Shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;

- The provisions may help shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium;
- The provisions may increase shareholders' bargaining power and may help ensure that the bid is adequately priced; and
- Knowing the view of the majority of shareholders may help each individual shareholder to decide whether to accept or reject the proportional offer.

Potential disadvantages for shareholders include:

- The provisions make the likelihood of a proportional takeover more difficult to achieve and therefore may discourage proportional takeover bids being made for shares in the Company. This in turn may reduce opportunities which the shareholder may have to sell some of their shares at an attractive price to persons securing control of the Company and it may reduce an element of proportional takeover speculation from the Company's share price; and
- Shareholders may lose an opportunity to sell some of their shares at a premium.

#### *Present acquisition proposals*

Since the Company's IPO in 2014, there have been no proportional takeover bids for shares in the Company and consequently, the proportional takeover provisions have never been activated. Nor are the Directors aware of any takeover bid which was discouraged by the Company's proportional takeover provisions.

As at the date of this Notice of Meeting, no Director is aware of any proportional takeover proposal to acquire or to increase the extent of a substantial interest in the Company. Consequently, from the day the Company listed to the present, the Directors are of the view that the advantages and disadvantages of the proportional takeover provisions have been theoretical and for the future, the potential disadvantages and disadvantages of the provisions included were noted in the preceding paragraphs.

#### ***Recommendation***

Directors consider that there are no specific advantages or disadvantages for them as Directors but consider that the potential advantages for shareholders of the proportional takeover provisions operating for the next three years outweigh the potential disadvantages. Consequently, Directors consider it in the interests of shareholders to approve articles 6.9 to 6.13, outlined in Annexure B to this Notice of Meeting, by special resolution, for the maximum period permitted by law, being three years from the date of this Meeting.

The Board unanimously recommends that shareholders vote in favour of the special resolution to renew the proportional takeover provisions, in the form of Annexure B, in the Company's Constitution.

The Chairman of the AGM intends to vote all undirected proxies in favour of Resolution 5.

## Annexure A – Summary of Key terms of Long-Term Incentive Plan

How is it paid?	Executives are eligible to receive performance rights, which are governed by the Company's equity incentive plan rules. Once vesting conditions have been met, ordinary shares will be issued to eligible executives.										
Eligibility and Potential Award	<p>Executives (comprising the CEO, other executive Key Management Personnel (as defined in the Corporations Act) (<b>KMP</b>) who hold executive or senior roles, and other persons approved by the Board.</p> <p>For the CEO, an award of up to 50% of fixed annual remuneration at target.</p> <p>For other KMP and executives, an award of up to 25% of fixed annual remuneration at target.</p>										
How is performance measured?	<p>To date, all grants of performance rights have been weighted equally: revenue and Earnings Per Share (EPS). The Board considers the combination of revenue and EPS thresholds an appropriate balance to ensure that 'top line' growth is pursued over the medium to long term, whilst growth in earnings and a focus on shareholder value is maintained. Additionally:</p> <ul style="list-style-type: none"> <li>the revenue threshold has been adopted in light of the Group's desire to accelerate growth to achieve national and international expansion; and</li> <li>the EPS threshold provides a relevant indicator of shareholder value and a clear target to drive and motivate senior executive performance.</li> </ul> <p>The number of performance rights that will be issued to each participant with respect to FY21 LTI grants, will be calculated by dividing the 'at target' amount by the value of each right.</p> <p>A summary of the proportion of performance rights that may be awarded on financial performance is determined based on the following schedule:</p> <table border="1" data-bbox="512 1525 1385 1711"> <thead> <tr> <th>Performance level</th> <th>% of Target incentive awarded</th> </tr> </thead> <tbody> <tr> <td>Below threshold</td> <td>0%</td> </tr> <tr> <td>Threshold</td> <td>80%</td> </tr> <tr> <td>Target</td> <td>100%</td> </tr> <tr> <td>Stretch</td> <td>150%</td> </tr> </tbody> </table>	Performance level	% of Target incentive awarded	Below threshold	0%	Threshold	80%	Target	100%	Stretch	150%
Performance level	% of Target incentive awarded										
Below threshold	0%										
Threshold	80%										
Target	100%										
Stretch	150%										
When is it paid?	Performance Rights granted under the LTI plan will only vest upon satisfaction of certain vesting conditions. The performance thresholds are defined by the Board and grants are made in August or September of each year following the end of the full financial year period. Once the Performance Rights vest, subject to the terms of the plan, the Company will issue or allocate the performance rights to the executive.										

	<p>All Performance Rights have a 3-year vesting (performance) period. Any awards which do not meet the performance conditions at the end of the performance period will lapse.</p> <p>All performance shares issued at the end of the 3-year period will rank equally in all respects with other ordinary shares in the Company (except in regard to any rights attaching to such other Shares by reference to a record date prior to the date of their allocation or transfer).</p>
Deferral terms	All Performance Rights will vest at the end of the 3-year vesting period.
What happens if an executive leaves?	<p>If an executive cease to be an employee of the Company before the vesting date of the Performance Right by reason of resignation, dismissal, or any other circumstance determined by the Board to be 'Bad Leaver', all unvested Performance Rights lapse on the date of cessation.</p> <p>If an executive cease to be an employee of the Company before the Performance Rights vest for any reason other than as a Bad Leaver (which may include redundancy, retirement, death or total and permanent disability), the Board may, in its discretion, determine that all or a portion of unvested Performance Rights vest immediately or at some future time. If the Board does not make a determination, Performance Rights will remain on-foot and are tested and vest on the original vesting date to the extent that the applicable vesting conditions have been met.</p>
Is there a clawback provision?	Yes. Awards may also be forfeited if a 'claw back' event occurs during the performance period. A claw back event includes circumstances where an executive has engaged in fraud, dishonesty or gross misconduct, where the financial results that led to the equity award are subsequently shown to be materially misstated, or where the behaviour of a senior executive brings the Company into disrepute or impacts the Company's long term financial strength.
What happens if there is a change of control?	Where a change of control event occurs prior to the Performance Rights vesting, the Board may, in its discretion, determine whether all or a number of the Performance Rights lapse at the time of the change of control event or at a future point in time, or vest at the time of the change of control event or at a future point in time.
Are executives eligible for dividends?	Performance Rights do not carry a right to vote or to dividends or, in general, a right to participate in other corporate actions such as bonus issues.

## ANNEXURE B – Proportional takeover provisions

### 6.9 Resolution required for proportional takeover provisions

Despite articles 6.1, 6.2 and 6.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

- (a) articles 6.9 to 6.13 apply;
- (b) the registration of a transfer giving effect to a takeover contract resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an “approving resolution”) to approve the bid is passed or taken to be passed in accordance with article 6.12 or article 6.13; and
- (c) the Directors must ensure that an approving resolution is voted on in accordance with articles 6.10 to 6.11 before the fourteenth day before the last day of the bid period.

### 6.10 Procedure for resolution

The Directors may determine whether the approving resolution is voted on:

- (a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of article 6.11, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or
- (b) by means of a postal ballot conducted in accordance with the following procedure:
  - (i) a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;
  - (ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;
  - (iii) the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;
  - (iv) each ballot paper must specify the name of the person entitled to vote;
  - (v) a postal ballot is only valid if the ballot paper is duly completed and:
    - (A) if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or

(B) if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;

(vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of that power or authority certified as a true copy by statutory declaration is or are received by the Company before close of business on the date specified in the notice of postal ballot for closing of the postal ballot at the Registered Office or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and

(vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.

#### **6.11 Persons entitled to vote**

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time.

Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

#### **6.12 Resolution passed or rejected**

If the resolution is voted on in accordance with articles 6.9 to 6.11, then it is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

#### **6.13 Resolution taken as passed**

If a resolution to approve the bid has not been voted on as at the end of the day before the fourteenth day before the last day of the offer period, then a resolution to approve the bid is taken to have been passed in accordance with articles 6.10 to 6.12.