

2019 Notice of Annual General Meeting

Notice is 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 Tuesday, 29 October 2019 at 10.00am (AEDT) for the purpose of transacting the business set out in this notice.

Items of Business**1. Consideration of Reports**

To receive the financial statements, Directors' report and Auditor's Report for the financial year ended 30 June 2019.

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

2. 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 2019 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. Election of Directors

To consider and, if thought fit, pass the following resolution as an ordinary resolution:
"That Mr Roger Amos, 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. Grant of Performance Rights to 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 509,175 performance rights under the Company's long-term incentive plan, 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.

Please refer to the Explanatory Notes, which form part of this Notice of Meeting, for information regarding each item of business



Marta Kielich
Company Secretary
25 September 2019

Voting Exclusions

Voting exclusions for Item 2 – Remuneration Report

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (**KMP**) of the Company (being the resolution in respect of Item 2), the Corporations Act 2001 (Cth) (**Corporations Act**) restricts KMP and their closely related parties from voting in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

The Company will disregard any votes cast on Item 2:

- by, or on behalf of, a member of the KMP (including the Directors) named in the Remuneration Report and their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the KMP at the date of the Meeting and their closely related parties or who is a closely related party of a member of the KMP,

unless the vote is cast as proxy for a person entitled to vote on Item 2:
- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit even though the item is connected with the remuneration of the Company's KMP.

Voting exclusions for Item 4 – Grant of Performance Rights to CEO

The Company will disregard any votes cast in favour of Item 4:

- by Ms Rebekah O'Flaherty or her associates; or
- as a proxy by a person who is a member of the KMP at the date of the Meeting and their closely related parties or who is a closely related party of a member of the KMP,

unless the vote is cast as proxy for a person entitled to vote on Item 4:
- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman sees fit even though the item is connected with the remuneration of the Company's KMP.

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 Sunday 27 October 2019 will be eligible to vote at the Meeting as a shareholder. Accordingly, transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and 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.

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 **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 10:00am (Sydney time) on Sunday, 27 October 2019 (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) 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.

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 2019;
- 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 Company Secretary, 3P Learning, Level 18, 124 Walker St, North Sydney NSW 2060.

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 2019; and
- the Financial Report, including the Financial Statements of the Company, for the year ended 30 June 2019.

Shareholders will be able to ask questions.

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

Item 2 – Remuneration Report

The Remuneration Report is presented within the Directors' Report on pages 13 to 25 of the Company's 2019 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 key management personnel (**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.

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

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

Item 3 – Re-election of Mr Roger Amos

Independent Non-Executive director (FCA, FAICD)

The Board's diverse range of skills, experience and backgrounds supports the effective governance and robust decision-making of 3P Learning. An assessment of the optimum mix of these skills and experience takes place regularly taking into account the strategic positioning of the Company. A summary of the collective skills and experience of the current directors, assessed against those identified in the Board skills matrix, is set out on page 6 of the FY19 Corporate Governance Statement available on the Company's website – <http://www.3plearning.com/investors/governance/>.



Mr Amos joined the Board in July 2014, retires by rotation and being eligible to stand for re-election, has offered himself for re-election. He is the Chair of the Audit and Risk Committee and a member of the People and Culture Committee (formerly the Nomination and Remuneration Committee). Mr Amos has over 35 years of experience in finance, business and accounting including a long and distinguished career with international accounting firm KPMG for 25 years as a partner in the Assurance and Risk Advisory Services Division. While with KPMG he led the Australian team specialising in the information, communications and entertainment sectors and held a number of global roles. Mr Amos is currently a Non-Executive Director of REA Group Limited and HT&E Limited and Chairman of Contango Asset Management Limited.

The Board (other than Mr Amos 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 available proxies in favour of this item of business.

Item 4 – Grant of Performance Rights to 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:

- drive growth and profitability;
- align executive rewards with 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 FY19 Remuneration Report.

The structure of grants made under the Plan in FY20 will remain the same as in FY19, however, the vehicle will change from options to performance rights. 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. Consequently, grants will be in the form of performance rights in FY20 and 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 509,175 performance rights under the Plan (and the delivery of Shares upon vesting of performance rights) to the Chief Executive Officer (**CEO**), Ms Rebekah O'Flaherty as the long-term incentive (**LTI**) component of her remuneration for the financial year ending 30 June 2020. Each performance right is a right to receive one share in the Company upon vesting. The Group refers to this grant as the "FY20 LTI Grant" as the performance rights are proposed to be issued in FY20. Additional information about the proposed FY20 LTI Grant is provided below.

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 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.

How is the LTI grant determined?

Pursuant to her employment contract, Ms O'Flaherty is entitled to 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 granted 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 ten-day VWAP over the week before and week after the release of the Company's FY19 full year results (**Face Value**), being \$0.9574.

'At Target' LTI Opportunity = 50% of FAR (\$325,000) divided by the Face Value of a right (being \$0.9574)

= 339,450 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 169,725 performance rights).

Accordingly, the total number of performance rights to be issued is 509,175.

If all performance rights vest at the end of the Performance Period, the maximum number of shares that will be received by Ms O'Flaherty is 509,175.

What is the relationship between performance and vesting?

Consistent with grants under the Plan in prior years, the proposed grant is subject to Revenue and EPS hurdles which are based on the Company's strategic objectives and are reflective of the Company's growth ambitions.

The performance rights are subject to a three year performance period beginning 1 July 2019 and ending 30 June 2022 (**Performance Period**). The vesting date will follow the approval of the audited financial results for FY22. Any performance rights which do not meet the performance conditions at the end of the Performance Period will lapse.

The following award schedule applies to both performance hurdles:

Performance level	% of performance rights vesting
Below threshold	0%
Threshold	80% of Target Performance Rights
Target	100% of Target Performance Rights
Stretch	150% of Performance Rights

(i.e. all Target and all Stretch Performance Rights)

Why were these performance conditions chosen?

The Board considers the combination of the revenue and EPS hurdles to be an appropriate counterbalance to ensure that any 'top line' growth is long-term focused and balanced with an improvement in earnings. The revenue hurdle is considered to be appropriate given the Company's accelerated growth ambitions and the Board selected EPS as a performance measure because it provides a relevant indicator of shareholder value and a clear target to drive and motivate performance.

Why don't we publish performance target information?

The Board considers that the prospective growth rates required to attract full or partial vesting are commercially sensitive and therefore do not disclose them to the market. The Board however, confirms

its commitment to driving growth for shareholders over the longer term and will disclose performance against targets following the end of the Performance Period.

When are performance conditions tested?

As noted above, the extent to which performance conditions have been met will be determined in line with the approval of the Financial Statements for the financial year ended 30 June 2022.

Additional information

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.

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 29 October 2020).

Performance rights will lapse in the event that the relevant performance conditions are not met. In addition, if the relevant employee resigns or is dismissed, all unvested performance rights are forfeited. If an employee leaves for any other reason the Board may determine the number of performance rights which will lapse or be retained. Performance rights may also be forfeited if a 'claw back' event occurs. A claw back event includes circumstances where a senior 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. If a change of control event occurs, the Board has discretion to determine whether the awards will vest or lapse.

No loan from the Company is available on the issue or vesting of performance rights. Dividends are not paid on performance rights. Dividends are only paid (and voting rights only attach) to shares issued on vesting of the performance rights.

Ms O'Flaherty is the only Director entitled to participate in the Plan. Non-executive Directors are ineligible to participate in the Plan. Ms O'Flaherty is the only person referred to in Listing Rule 10.14 to have received securities since the last approval. Following approval at the 2018 Annual General Meeting, Ms O'Flaherty received 2,867,647 options exercisable at \$1.7507 per option and expiring on 23 August 2022. These options are subject to revenue and EPS performance hurdles to be tested with respect to FY21 and were issued for nil consideration.

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

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 available proxies in favour of this item of business.

Annual Report & Corporate Governance Statement

The 3P Learning 2019 Annual Report is available at: <http://www.3plearning.com/investors/results/>

The 3P Learning 2019 Corporate Governance Statement is available at:
<http://www.3plearning.com/investors/governance/>

Go Online and Go **Green to help the environment**

3P Learning Limited would like to encourage all shareholders to receive a copy of the Annual Report (and other shareholder communications) electronically.

Shareholders can change their preferences and update their online details at
<https://www.linkmarketservices.com.au/>.

You can also lodge your proxy online, by following the steps in this Notice of Meeting.