

**UCW Limited**  
Level 1, 333 Kent St  
Sydney NSW 2000  
ACN: 108 962 152



# UCW Limited

## **Notice of 2019 Annual General Meeting** Explanatory Statement | Proxy Form

**8 November 2019**

**10.30am AEDT**

**Address**

Automic Group  
Level 5, 126 Phillip Street, Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.30am AEDT on 8 November 2019 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

### Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

### Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

### Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

### Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of UCW Limited ACN 108 962 152 will be held at 10.30am AEDT on 8 November 2019 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm AEDT on 6 November 2019.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## Remuneration Report

### 1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2019.”*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## Re-election of Director

### 2. **Resolution 2 – Re-election of Peter Mobbs as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That Peter Mobbs, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election as a Director of the Company, effective immediately.”*

## ASX Listing Rule 7.1A (Additional 10% Capacity)

### 3. **Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair 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.

## **Ratification of Prior Issue of Shares**

### **4. Resolution 4 – Ratification of Prior Issue of Shares**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 666,666 fully paid ordinary shares issued on 22 January 2019 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair 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.

## **Adoption of Employee Option Plan**

### **5. Resolution 5 – Adoption of Employee Option Plan**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.2 (exception 9(b)) and for all other purposes, the Shareholders of the Company approve the adoption of a new employee incentive scheme entitled the “Employee Option Plan”, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair 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.

## Issue of Performance Rights under EOP

### 6. **Resolution 6** – Approval of Issue of Performance Rights to Adam Davis, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, subject to Resolution 5 being passed, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 750,000 Performance Rights under the EOP to Adam Davis, Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**BY ORDER OF THE BOARD**



Lyndon Catzel  
Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.30am AEDT on 8 November 2019 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company's Annual Financial Report on its website at <http://www.ucwlimited.com.au/index.php?page=announcements>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 1 November 2019.



# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <http://www.ucwlimited.com.au/index.php?page=announcements>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2020 Annual General Meeting (**2020 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2020 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2020 AGM. All of the Directors who were in office when the 2020 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## **Re-election of Director**

### **Resolution 2 – Re-election of Peter Mobbs as Director**

The Company's Constitution requires that one-third of Directors (or the number of Directors nearest to one-third) must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. Where two or more Directors have served equally the longest, the retiring Director is determined either amongst the Directors, or by drawing lots.

ASX Listing Rule 14.4 also provides that a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Peter Mobbs was last re-elected as a Director at the 2016 AGM and has not sought re-election since then.

Under this Resolution, Mr Mobbs has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Peter is Managing Director of Greyrock, a private investment company with a focus on education and technology. Prior to establishing Greyrock, Peter was an entrepreneur and executive within the private education industry, where he holds 15+ years' experience across the higher education, vocational and corporate training sectors.

Peter led the private equity-backed merger of his company, Ivy College, with the education arm of the Australian Institute of Management (AIM) – a 75 year old brand. Peter was Group CEO and is now a Director and shareholder of the merged group – Scenia.

In previous roles, Peter was the Director of Operations, Career Education within Study Group – a global education provider – and held the role of Managing Director, Martin College, also a Study Group business.

In earlier years, Peter established real estate education business, Agency Training Australia, which in 2006 was acquired by Kaplan Inc., a division of NYSE listed Graham Holdings Company (formerly The Washington Post Company).

He holds degrees in commerce and law, is admitted to practise in the Supreme Court of NSW, is a member of YPO Sydney and a graduate member of the Australian Institute of Company Directors.

#### **Directors' recommendation**

The Directors (excluding Mr Mobbs) recommend that Shareholders vote for this Resolution.

## **ASX Listing Rule 7.1A**

### **Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

ASX Listing Rule 7.1A enables eligible entities to seek Shareholder approval by Special Resolution passed at an annual general meeting to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2019 Annual General Meeting; or
- (b) the date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 7 November 2020 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2 pursuant to Listing Rule 7.1A.3.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$(A \times D) - E$$

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
  - (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
  - (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of the holders of ordinary securities under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval); and
  - (iv) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of this Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company has on issue 110,821,249 fully paid ordinary securities and therefore has capacity to issue:

- (a) subject to Resolution 4 being approved, 7,123,187 equity securities under Listing Rule 7.1 (which excludes the maximum of 9,500,000 fully paid ordinary shares under an agreement to issue which has been disclosed in recent historic Appendix 3Bs); and

- (b) subject to Shareholder approval being sought under this Resolution, 11,082,125 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities, the subject of this Resolution, will be issued is 75% of the volume weighted average market price (**VWAP**) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or  
 (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval of this Resolution; and  
 (b) the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing Shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary shares as at 30 August 2019.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 30 August 2019.

Variable "A" ASX Listing Rule 7.1A.2		Dilution		
		\$0.1075 50% decrease in issue price	\$0.215 issue price **	\$0.43 100% increase in issue price
"A" is the number of shares on issue, being 110,821,249 *** shares	10% voting dilution	11,082,125 shares	11,082,125 shares	11,082,125 shares
	Funds raised	\$1,191,328	\$2,382,657	\$4,765,314
"A" is a 50% increase in shares on issue, being 166,231,874 *** shares	10% voting dilution	16,623,187 shares	16,623,187 shares	16,623,187 shares
	Funds raised	\$ 1,786,993	\$3,573,985	\$7,147,970
"A" is a 100% increase in shares on issue, being 221,642,498 *** shares	10% voting dilution	22,164,250 shares	22,164,250 shares	22,164,250 shares
	Funds raised	\$2,382,657	\$4,765,314	\$9,530,628

**Notes:**

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.  
 (ii) The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.  
 (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.  
 (iv) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.  
 (v) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes Options and/or Performance Rights, it is assumed that those Options and/or Performance Rights are exercised (or converted) into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- \* Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.

\*\* Based on the closing price of the Company's Shares on ASX on 30 August 2019.

\*\*\* Based on the Company's Share structure as at 30 August 2019.

If this Resolution is approved, the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (a) raising funds to further develop the Company's business;
- (b) raising funds to be applied to the Company's working capital requirements;
- (c) acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets; and
- (d) paying service providers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (a) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (b) the potential effect on the control of the Company;
- (c) the Company's financial situation and the likely future capital requirements; and
- (d) advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details of all issues of equity securities in the 12 months preceding the date of the Meeting. The details of all issues of equity securities by the Company during the 12 months preceding the date of the Meeting are detailed below:

Number/Class of equity securities issued	Terms of the securities issued	Price and discount to closing market price on the date of issue (if any)	Consideration details	Allottees of the Securities
<i>Issued on 22 November 2018</i>				
1,600,000 zero-exercise price options issued under the Company's Employee Option Plan	<p>The securities have the following principal terms:</p> <ul style="list-style-type: none"> <li>(i) Exercise price: Nil</li> <li>(ii) Expiry: 1 month after the vesting date</li> </ul> <p>In addition, there are vesting and performance conditions as follows:</p> <ul style="list-style-type: none"> <li>(i) 3 years of continuous employment or office with the Company from the date of issue; and</li> <li>(ii) At the above date (being 3 years from the issue date), the UCW share price (90-day VWAP of shares traded on the ASX) must be no less than \$0.30.</li> </ul>	N/A – issued for nil consideration	N/A – issued for nil consideration	Adam Davis (CEO and Managing Director) and Lyndon Catzel (CFO and Company Secretary)
<i>Issued on 22 January 2019</i>				
666,666 fully paid ordinary shares	<p>The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.</p> <p>These shares were issued as settlement of the retention amount due to the vendors of 4Life Pty Ltd under the share sale agreement dated 9 December 2016.</p>	<p>Issue price of \$0.30 per share.</p> <p>No discount.</p>	Non-cash consideration with a deemed value of \$200,000 at the time of issue. The Company considers that the current value of this non-cash consideration remains unchanged at \$200,000.	Vendors of 4Life Pty Ltd under the share sale agreement dated 9 December 2016

<b>Total equity securities issued in previous 12 months ("A")</b>	2,266,666
<b>Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12 month period*</b>	2.06%

\*Based on Company's fully diluted capital structure as at the date of the Company's 2018 Annual General Meeting

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Ratification of Prior Issue of Shares**

### **Resolution 4 – Ratification of Prior Issue of Shares**

#### **Background**

As announced by the Company on 22 January 2019, the Company issued 666,666 fully paid ordinary shares utilising the Company's existing capacity under Listing Rule 7.1. The Shares were issued as settlement of the retention amount due to the vendors of 4Life Pty Ltd under the share sale agreement dated 9 December 2016.

#### **ASX Listing Rule 7.1**

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of said 666,666 Shares, which was issued on 22 January 2019.

All of the Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

Listing Rule 7.1 allows an entity to issue (or agree to issue) up to 15% of the Company's fully paid ordinary shares on issue in any 12 month period without the approval of the Shareholders of the Company.

Listing Rule 7.4 provides that where an entity in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1, thereby "refreshing" the Company's capacity under Listing Rule 7.1.

Therefore, the effect of approval of this Resolution is to allow the Company to retain the flexibility to issue additional securities within the 15% capacity under Listing Rule 7.1 after this Resolution is adopted.

#### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Company issued 666,666 Shares.
- (b) Each of the Shares were issued at a deemed issue price of \$0.30 per Share.
- (c) The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Shares were issued as settlement of the retention amount due to the vendors of 4Life Pty Ltd under the share sale agreement dated 9 December 2016.
- (e) Funds were not raised from the issue of the 666,666 Shares, as they were issued as settlement of the retention amount due to the vendors of 4Life Pty Ltd under the share sale agreement dated 9 December 2016.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Adoption of Employee Option Plan**

### **Resolution 5 – Adoption of Employee Option Plan**

#### **Background**

The Company's current Employee Option Plan (**EOP**) was approved by Shareholders of the Company on 4 November 2016. As of the date of this Meeting, more than three years would have lapsed since this date; accordingly, the Company seeks Shareholder approval to adopt a new EOP (which has similar terms to the current EOP) for the purposes set out in this Explanatory Statement.

In terms of key changes from the current EOP, the new EOP (the subject of this Resolution) includes insertion of a cashless exercise mechanism and the simplification of how the limit on the aggregate number of incentives that can be granted under the new EOP is calculated (which is set at 10% of the total number of issued shares as of the time of the offer, compared to 5% in the current EOP).

The purpose of the new EOP is to provide eligible employees with an opportunity to acquire securities in the Company. By doing so, the new EOP seeks to provide eligible employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company. The new EOP is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with and focus on the longer-term goals of the Company.

Full terms of the new EOP is set out in Annexure A, and a copy of the rules of the new EOP is available upon request from the Company.

#### **ASX Listing Rules**

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 9(b)), it will have the effect of enabling the securities issued by the Company under the new EOP to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period using Listing Rule 7.1 (15% capacity) during the next three year period.

For completeness, the Company advises that the securities issued under the current EOP are as follows: 400,000 options, exercisable at \$0.2962 per share, 400,000 options, exercisable at \$0.3962 per share and 1,600,000 zero-exercise price options.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.



## **Issue of Performance Rights under EOP**

### **Resolution 6 – Approval of Issue of Performance Rights to Adam Davis, Director of the Company**

#### **Background**

Shareholder approval is being sought to adopt a new EOP under Resolution 5 of this Notice of Meeting.

The Company seeks to invite Adam Davis, the Managing Director and Chief Executive Officer of the Company, subject to Shareholder approval that is sought under this Resolution, to participate in the EOP by subscribing for 750,000 unlisted and unvested nil exercise price options under the EOP (**Performance Rights**). Approval of this Resolution is conditional upon Resolution 5 of this Notice of Meeting being approved by Shareholders of the Company.

#### **Director and related party approvals**

ASX Listing Rule 10.14 provides that the Company, as an ASX listed entity, must not permit a Director of the Company to acquire securities under an employee incentive scheme without Shareholder approval.

If approval is obtained under ASX Listing Rule 10.14:

- (a) in accordance with ASX Listing Rule 10.12 (exception 4), separate approval is not required under ASX Listing Rule 10.11; and
- (b) in accordance with ASX Listing Rule 7.2 (exception 14), separate approval is not required under ASX Listing Rule 7.1.

Accordingly, the proposed issue of Performance Rights under the EOP to Mr Davis, a Director of the Company, constitutes the acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The phrase “giving a financial benefit” is defined in section 229 of the Corporations Act and includes the issue of options.

A “related party” for the purposes of the Corporations Act is widely defined and includes a director of a public company or a spouse of a director of a public company.

Given that Mr Davis is an existing Director of the Company, he is a “related party” of the Company and the issue of Performance Rights constitutes the giving of a financial benefit under Chapter 2E of the Corporations Act.

The non-conflicted Directors of the Company:

- (a) Believe that part of Mr Davis’ remuneration should be performance based and at risk, as this assists in aligning his interests with those of Shareholders of the Company. This approach reflects accepted practice in executive remuneration and corporate governance in Australia and abroad. In structuring the terms of the Performance Rights, the Board has carefully considered market practice among comparable companies listed on the ASX.
- (b) Have resolved that the giving of this financial benefit to Mr Davis as part of his remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Performance Rights (in particular, the vesting condition that the 30-day VWAP of UCW shares at the time of exercise is equal to or greater than the minimum of \$0.35 and double the UCW share price at the time of issue of the Performance Rights), which is materially above the price at which the Company’s Shares trade on ASX as at the date of the Notice of this Meeting, and the responsibilities that would be held and carried out by Mr Davis in his role as Managing Director and Chief Executive Officer of the Company. In addition, the Board considered that the issue of these Performance Rights is a more cost-effective way to remunerate and incentivise Mr Davis, as opposed to other forms of remuneration, such as further cash payments.

For the above reasons, the non-conflicted Directors formed the view that the issue of Performance Rights under the Employee Option Plan to Mr Davis fall within the “reasonable remuneration” exception as set out in section 211 of the Corporations Act. Accordingly, the Company relies on this exception for the purposes of Resolution 6 under this Notice.

#### **Information required by ASX Listing Rule 10.15**

The following information in relation to the issue of the Performance Rights to Mr Davis is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) Mr Davis is the Managing Director and Chief Executive Officer of the Company.
- (b) The maximum number of Performance Rights to be issued to Mr Davis under this Resolution is 750,000.
- (c) The Performance Rights will be issued for nil cash consideration as part of Mr Davis’ remuneration. The estimated ‘gross contract value’ of the Performance Rights is \$92,325 or \$30,775 per annum over the three (3) year vesting period.
- (d) Shareholder approval for a new EOP is being sought under Resolution 5 of this Notice of Meeting. Accordingly, these will be the first securities which would have been issued to, or for the benefit of, any Director or an Associate of a Director under the EOP.
- (e) Each director of the Company are all the persons referred to in Listing Rule 10.14 who are eligible to participate in the EOP.
- (f) It is intended that the Performance Rights will be issued within three (3) months from the date of this Meeting, if approved by Shareholders, and in any event, no later than 12 months after the meeting.
- (g) There is no loan scheme in relation to the Performance Rights.
- (h) The Performance Rights will have the following material terms:
  - (i) Exercise price: Nil
  - (ii) Vesting conditions:
    - (1) Three (3) years of continuous employment or office with a Group Company from the date of issue; and
    - (2) At the above date (being three years from the date of issue), the 30-day VWAP of UCW shares must be equal to or greater than \$0.35 and double the UCW share price at the time of issue of the Performance Rights. This represents a material premium over UCW’s current share price.
  - (iii) Expiry date: 1 month after the vesting date.

#### **Other information**

- (a) The Company will not apply to ASX for official quotation of the Performance Rights granted.
- (b) Shares issued pursuant to the exercise of the Performance Rights will rank equally with Shares then on issue.
- (c) The Performance Rights are not transferable.
- (d) The holders of Performance Rights are prohibited from mortgaging or securing their interests or hedging the security interest of any unvested Performance Rights.
- (e) Any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company’s securities trading policy. Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period.
- (f) If, in the Board’s opinion, Mr Davis has acted fraudulently or dishonestly or is in breach of his material obligations to the Company, the Board may determine that any or all of his Performance Rights which have not yet vested, lapse.
- (g) Details of the Performance Rights granted to Mr. Davis will be provided in the Remuneration Report in each relevant subsequent year.

- (h) In addition to the proposed grant to Mr Davis, it is currently intended that Mr Lyndon Catzel (Chief Financial Officer and Company Secretary of the Company) will also be issued with 500,000 Performance Rights under the EOP on the same terms as Mr Davis. The proposed grant of Performance Rights under the EOP to Mr Catzel does not require shareholder approval for the purposes of Listing Rules 10.14 as Mr Catzel is not a director of the Company.

## Enquiries

Shareholders are asked to contact the Company Secretary on (02) 9112-4540 if they have any queries in respect of the matters set out in these documents.

# Glossary

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual Financial Report** means the 2019 Annual Report to Shareholders for the period ended 30 June 2019 as lodged by the Company with ASX on 30 August 2019.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of RSM Australia Partners dated 30 August 2019 as included in the Annual Financial Report.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means UCW Limited ACN 108 962 152.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "\$" means Australian dollars.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**EOP** means the employee incentive scheme entitled "Employee Incentive Plan" for which Shareholder approval is being sought for the adoption under Resolution 5 of this Notice of Meeting.

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 4 October 2019, including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Rights** means the zero-exercise price options that may be granted by the Company pursuant to the terms of the EOP.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

**Resolutions** means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Registry Services.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means in relation to Shares, the volume weighted average market price during the trading days on which trades were recorded.



## **EMPLOYEE OPTION PLAN - PLAN RULES**

**UCW Limited**  
ACN 108 962 152

November 2019

## Purpose

These are the rules of the Company's employee option plan (**Plan**). The purpose of the Plan is to provide Eligible Employees with an opportunity to acquire EOP Options. By doing so, the Plan seeks to provide Eligible Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to shareholders. The Plan is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company. This Plan commences on the date the Board determines.

## Advice

There are legal and tax consequences associated with participation in the Plan. The Eligible Employees should ensure that they understand these consequences before accepting an invitation to participation in the Plan.

Any advice given by or on behalf of the Company is general advice only, and Eligible Employees should consider obtaining their own financial product advice from an independent person who appropriately qualified and/or licensed to give such advice.

## 1 Definitions and Interpretation

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### 1.1 Definitions

In these Rules, unless the contrary intention appears, terms defined in the Corporations Act or Listing Rules have the same meaning in these Rules:

**Acceptance Period** has the meaning given to that term in Rule 3.2(h);

**Amendment** has the meaning given to that term in Rule 17.1;

**Applicable Law** means any one or more or all, as the context requires, of the following to the extent that they apply to the Company or this Plan:

- (a) the Corporations Act;
- (b) tax laws;
- (c) the Constitution;
- (d) the ASX Listing Rules;
- (e) any class orders (including ASIC Class Order [CO 14/1000]), subordinate legislation, orders, rulings or other binding instruments passed or made by parliament, Australian Securities and Investments Commission or the Australian Taxation Office to clarify or expand paragraphs (a) and/or (b) of this definition;
- (f) any laws of foreign jurisdictions where Participants are resident;
- (g) any other laws;

**Application Form** means the form the Board determines is to be used by an Eligible Employee to apply for EOP Options under the Plan;

**ASX** means ASX Limited (ACN 008 624 691) or the stock exchange which it operates, as the context requires;

**ASX Listing Rules** means the official listing rules of the ASX;

**Bad Leaver** means:

- (a) a Participant who commits a fraudulent or other dishonest act which brings disrepute upon a Group Company; or

- (b) a Participant who ceases to be employed by or hold office or be contracted with any member of the Group and who is not a Good Leaver.

**Board** means the board of directors of the Company or a committee appointed by the board of directors of the Company for the purposes of the Plan;

**Certificate** means, in relation to an EOP Option, the certificate or statement (in a form approved by the Board) issued to the Holder which discloses the number of EOP Options held by the Holder;

**Company** means UCW Limited ACN 108 962 152;

**Constitution** means the constitution of the Company, as amended from time to time;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Delegate** means a person appointed by the Board to exercise its powers and discretions under the Rules;

**Eligible Employee** means:

- (a) an employee of a Group Company;
- (b) an executive director, a non-executive director or a company secretary of a Group Company; or
- (c) a person who satisfied paragraph (a) or (b) of this definition during the 12 months immediately before the date of the Offer Letter issued to that person,

other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Group (or has given notice of resignation in order to avoid such dismissal); or

- (d) a contractor or consultant (**contractor**) who provides services to a Group Company;

**Employee Incentive Scheme** means any employee equity scheme extended to senior managers, other employees and/or directors of or a contractor to the Company and its Related Bodies Corporate or any other person nominated by the Company, and includes the Plan;

**Entitlements** means any rights to acquire shares, options or other securities granted or issued by the Company or by any other company to shareholders of the Company;

**EOP Option** means an Option;

**Good Leaver** means a Participant who ceases employment or office or contractual relations with any member of the Group in any of the following circumstances:

- (a) the Participant ceases employment with any and all Group Companies due to redundancy or Retirement;
- (b) the Participant ceases employment with any and all Group Companies due to the Participant's death or Permanent Incapacity; or
- (c) any other circumstances determined by the Board in its sole and absolute discretion;

**Group** means the Company and each Subsidiary of the Company and **Group Company** means any of them;

**Holder** means the holder of EOP Options;

**Holding Lock** means a mechanism to prevent a Participant transferring or otherwise dealing with the EOP Options;



**Market Value** means in relation to Shares, the “volume weighted average market price” (as that term is defined in the Listing Rules) per Share during the previous five trading days (on which trades were recorded).

**Nominee** means in respect of an Eligible Employee:

- (a) a person who is the spouse, parent, brother, sister or child (**close relative**) of the Eligible Employee;
- (b) a body corporate trust or superannuation fund in which the Eligible Employee or a close relative of the Eligible Employee has, or any two or more of the Eligible Employee and close relatives of the Eligible Employee together have, a controlling interest (including any interest that gives control); or
- (c) such other person or entity approved by the Board in its absolute discretion;

**Offer Letter** means an offer letter to an Eligible Employee inviting that person or his/her Nominee to participate in the Plan;

**Option** means an option to subscribe for Share/s;

**Participant** means:

- (a) an Eligible Employee (or his/her Nominee) who accepts an invitation to participate in the Plan, agrees to be bound by these Rules and whose application for EOP Options in accordance with the invitation is accepted by the Board; or
- (b) the legal personal representative of any person referred to in (a) duly appointed on the death or legal incapacity of that person;

**Performance Hurdles** means conditions or events which must be satisfied before EOP Options may be vested (which may include, without limitation, conditions relating to the profitability of the Company or the price at which its Shares are traded on the ASX) and/or conditions which may require that the number of EOP Options able to be vested be reduced, or that some or all the EOP Options are forfeited or lapse in circumstances determined by the Board;

**Permanent Incapacity** means a condition the effect of which is in the opinion of the Board, to prevent a Participant from continuing to be an Employee engaged in a similar capacity as the Participant held prior to the condition arising;

**Plan** means the Company's employee option plan as amended from time to time and operated in accordance with these Rules;

**Related Body Corporate** has the meaning given to that term in the Corporations Act;

**Retirement** means the permanent cessation by a Participant of all gainful employment;

**Rules** means these Rules, as amended from time to time;

**Share** means a fully paid ordinary share in the capital of the Company;

**Subsidiary** has the meaning given to that term in the Corporations Act;

**Vested EOP Option** means an EOP Option in respect of which all Vesting Conditions have been satisfied or which otherwise becomes vested in accordance with these Rules; and

**Vesting Conditions** means, in relation to an EOP Option, the period of time, Performance Hurdles and other vesting conditions determined by the Board at the time of the offer of the EOP Option which are required to be satisfied before the EOP Option becomes a Vested EOP Option.

## 1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) a gender includes all genders;
- (b) the singular includes the plural and conversely;
- (c) a reference to a person includes the legal personal representatives, successors and assigns of that person and also corporations and other entities recognised by law;
- (d) a reference to any Applicable Law includes that Applicable Law as amended, re-enacted or replaced and any law that supersedes that law; and
- (e) headings are for convenience only and do not affect the interpretation of these Rules.

## 2 Operation of the Plan

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### 2.1 General

The Plan must be operated in accordance with these Rules.

### 2.2 Binding Rules

These Rules bind the Company, each Subsidiary of the Company, each Participant and each Holder.

## 3 Invitation

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### 3.1 Invitation to Participate

Subject to these Rules, the Board or its Delegate may in its absolute discretion from time to time invite Eligible Employees to apply for EOP Options under the Plan on the terms set out in these Rules and any other terms the Board considers appropriate. In selecting Eligible Employees to apply for EOP Options, the Board or its Delegate will have regard to:

- (a) the position in the Group held or to be held by the Eligible Employee;
- (b) the Eligible Employee's length of service with the Group;
- (c) the contribution made by the Eligible Employee to the Group;
- (d) the potential contribution to be made by the Eligible Employee to the Group; and
- (e) any other matters which the Board or the Delegate considers relevant.

### 3.2 Application Form and Offer Letter

The Board must give to each Eligible Employee who is invited to apply for EOP Options under the Plan an Application Form together with an Offer Letter setting out the following information in relation to the EOP Options:

- (a) the number of EOP Options for which the Eligible Employee may apply;
- (b) the consideration (if any) for the grant of the EOP Options;
- (c) the exercise price of the EOP Options or the method of determining such exercise price;
- (d) the latest time at which the EOP Options may be exercised;

- (e) any applicable Vesting Conditions (including, without limitation, the period or periods during which the EOP Options or any of them may be exercised and any applicable Performance Hurdles);
- (f) the conditions of any Holding Lock which apply to:
  - (i) the EOP Options; and/or
  - (ii) the Shares issued on exercise of the EOP Options;
- (g) any other terms and conditions relating to the invitation or the EOP Options, which in the opinion of the Board, are fair and reasonable and not inconsistent with these Rules;
- (h) the time within which the invitation may be accepted by the Eligible Employee (**Acceptance Period**);
- (i) in respect of the initial application made by an Eligible Employee, a summary of, or a copy of, these Rules; and
- (j) any other information or documents that the Applicable Law require the Company to give to the Eligible Employee.

### 3.3 Participant bound by Application Form, Offer Letter, Rules and Constitution

By completing and returning the Application Form within the Acceptance Period, a Participant applies for EOP Options under the Plan on the terms of the Offer Letter and agrees to be bound by the terms of the Application Form, the Offer Letter, these Rules and the Constitution.

### 3.4 Acceptance by Nominee of Eligible Employee

- (a) An Eligible Employee may by notice to the Board nominate a Nominee in whose favour the Eligible Employee wishes to renounce an invitation received by, or any future invitation that may be made to, that Eligible Employee.
- (b) The Board may, in its discretion, elect not to allow a renunciation of an invitation in favour of a Nominee.
- (c) If the renunciation in favour of a Nominee is permitted by the Board and the Eligible Employee wishes to proceed with the renunciation in favour of its Nominee, then:
  - (i) the Eligible Employee will procure that its Nominee accepts the invitation made to that Eligible Employee;
  - (ii) both the Eligible Employee and the Nominee agree to be bound by these Rules as a Participant; and
  - (iii) the Eligible Employee must procure that the Nominee complies with the terms of the Application Form, these Rules, the Constitution as applicable.

## 4 Grant of EOP Options

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### 4.1 Grant of EOP Options

Subject to:

- (a) the satisfaction of any terms or conditions set out in the Application Form; and
- (b) receipt of approval of shareholders of the Company (if required) at a meeting of shareholders that will be convened on a date at the Board's absolute discretion,

following receipt of a completed and signed Application Form and the acceptance by the Board of the Application Form, the Company will as soon as practicable after the end of the Acceptance Period:

- (c) issue to the Participant, on the terms of the Offer Letter, the number of EOP Options applied for by the Participant in the Application Form; and
- (d) complete a register of EOP Options in accordance with the Applicable Law.

#### **4.2 No payment for EOP Options**

Unless otherwise determined by the Board, no payment is required for the grant of EOP Options under the Plan.

#### **4.3 Certificate**

Subject to the Applicable Law, the Company may issue a Certificate to a Participant in respect of the EOP Options granted to that Participant. The Company must comply with the Applicable Law with respect to the issue of the Certificate.

#### **4.4 Quotation on ASX**

- (a) Subject to Rule 4.4(b), no EOP Options will be quoted on the ASX, unless the Board determines otherwise.
- (b) The Company must apply for quotation on the official list of the ASX of Shares issued on the exercise of EOP Options granted under this Plan.

### **5 Restrictions on transfer**

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#### **5.1 No transfer**

- (a) EOP Options may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.
- (b) While an EOP Option is subject to a Holding Lock, that EOP Option may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.

#### **5.2 Prohibition on value schemes or arrangements**

A Participant must not enter into a scheme or arrangement that protects the value of EOP Option granted under the Plan prior to them becoming a Vested EOP Option.

### **6 Vesting of EOP Options**

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#### **6.1 Manner of vesting and exercise**

The vesting of EOP Options and the exercise of any Options granted under the Plan may only be effected in such form and manner as the Board prescribes.

#### **6.2 Other permitted vesting**

The Board may determine that any unvested EOP Options granted under the Plan will each become a Vested EOP Option, whether or not any or all applicable Vesting Conditions have been satisfied if (in the Board's opinion) one of the following events has occurred or is likely to occur:

- (a) the merger or consolidation of the Company into another company;

- (b) if a takeover bid is made in respect of the Company and the Board recommends acceptance to shareholders;
- (c) if a scheme of arrangement is made or undertaken in respect of the Company, and the Board in its absolute discretion determines exercise to be appropriate;
- (d) any event similar to those described in Rules 6.2(a) to 6.2(c) involving a change in ownership or control of the Company or all or substantial part of the assets of the Company; or
- (e) any other event as determined by the Board in its absolute discretion.

### 6.3 **Specific Vesting Conditions and exercise procedure for EOP Options**

- (a) Subject to Rule 6.2, an EOP Option granted under the Plan may only be exercised if, at the time of exercise:
  - (i) the EOP Option is a Vested EOP Option;
  - (ii) the EOP Option has not been forfeited or lapsed under Rule 7;
  - (iii) if payment is required, the Exercise Price (as adjusted under Rule 8, if applicable) has been paid; and
  - (iv) if payment is not required (pursuant to its terms, or otherwise, the Board's sole and absolute discretion as set out in Rule 6.4), a notice of cashless exercise has been submitted and accepted by the Company.
- (b) The exercise of some EOP Options only does not affect the Holder's right to exercise other Options at a later time.
- (c) Following exercise of an EOP Option, the Company must, within such time as the Board determines, issue to the person exercising the EOP Option, that number of Shares in respect of which the EOP Option has been exercised, credited as fully paid.
- (d) Unless the terms of issue of the EOP Options provide otherwise, Shares issued on the exercise of EOP Options will rank equally in all respects with all existing Shares from the date of allotment, including in relation to:
  - (i) voting rights; and
  - (ii) entitlements to participate in:
    - (A) distributions and dividends; and
    - (B) future rights issues and bonus issues,

where the record date for determining entitlements falls on or after the date of allotment.

### 6.4 **Cashless exercise of EOP Options**

The Board may determine in its sole and absolute discretion that a Holder will not be required to provide payment of the Exercise Price by cash, cheque or some other method acceptable to the Company, but that on exercise of the EOP Options the Company will only allot and issue or transfer that number of Shares to the Holder that are equal in value to the difference between the Exercise Price otherwise payable in relation to the EOP Options (which are being exercised) and the then Market Value of the Shares as at the time of the exercise (with the number of Shares rounded down to the nearest whole number).

## **7 Lapse and forfeiture**

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### **7.1 End of exercise period**

Subject to Rules 7.2, 7.3 and 7.4, an EOP Option automatically lapses as at the moment immediately after:

- (a) (if that EOP Option is not a Vested EOP Option) the latest time at which that EOP Option may become a Vested EOP Option, as specified by the Board in the Offer Letter; or
- (b) (if that EOP Option is a Vested EOP Option) the latest time at which that EOP Option may be exercised, as specified by the Board in the Offer Letter.

### **7.2 Good Leaver**

If a Participant is a Good Leaver, then:

- (a) all EOP Options held by the Participant that are Vested EOP Options at the date of cessation of employment or office or contractual relations may be exercised by the Participant during the 30 day period following the date of cessation of employment or office or contract (notwithstanding that the exercise period specified in the Offer Letter ends during the 30 day period), after which those EOP Options will automatically lapse;
- (b) all other EOP Options held by the Participant will be automatically forfeited and automatically lapse on the date of cessation of employment or office or contract; and
- (c) all Offer Letters which have not been accepted by the Participant are automatically revoked on the date of cessation of employment or office,

unless the Board determines otherwise.

### **7.3 Bad Leaver**

If a Participant is a Bad Leaver, then on the date of cessation of employment or office or contract:

- (a) all EOP Options (whether vested or unvested) held by the Participant will be automatically forfeited and automatically lapse;
- (b) the Participant automatically forfeits all of his/her rights, title and interest in all EOP Options and Entitlements; and
- (c) all Offer Letters which have not been accepted by the Participant are automatically revoked,

unless the Board determines otherwise.

### **7.4 End of period otherwise determined by the Board**

If the Board determines (and its sole and absolute discretion) a further period, or reduces the period, in which the EOP Options may be exercised, whether such revised period is more or less than the 30-day period specified in Rule 7.2(a), or more or less than the exercise period specified in the Offer Letter for those EOP Options, then those EOP Options will lapse at the end of that revised period.

### **7.5 Cessation of employment - interpretation**

For the purposes of these Rules:

- (a) determination of whether a Participant is a Good Leaver or a Bad Leaver is at the Board's sole and absolute discretion; and

- (b) a Participant will not be deemed to be either a Good Leaver or a Bad Leaver;
  - (i) the Participant is absent due to approved leave granted by a Group Company;
  - (ii) immediately after the Participant leaves the employment or office or the contractual relations ends of a Group Company the Participant is employed by, or holds an office or enters contractual relations with, another Group Company;
  - (iii) the Participant is seconded from a Group Company to a government department or instrumentality or to another company; or
  - (iv) immediately after the Participant leaves the employment or office of or the contractual relations with a Group Company the Participant is employed by a joint venture company in which a Group Company holds a substantial interest at the time of employment, and which has been approved by the Board as an associated company for the purposes of the Plan.

## **8 Capital reconstructions and new issues**

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### **8.1 Alterations to capital and reconstructions**

Subject to the Applicable Law, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may, subject to the Listing Rules, make adjustments to the rights attaching to those EOP Options (including, without limitation, to the number of Shares which may be acquired on exercise of the EOP Options and the Exercise Price of an EOP Option) on any basis it deems fit in its discretion.

### **8.2 New issues**

Subject to the Applicable Law, unless the Board determines otherwise, a Holder is only entitled to participate (in respect of EOP Options granted under the Plan) in a new issue of Shares to existing shareholders of the Company if the Holder has validly exercised the Holder's EOP Options and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the Holder is the registered holder.

## **9 Powers of the Board**

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### **9.1 Powers of the Board**

The Plan will be managed by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;
- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan; and
- (e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan.

### **9.2 Suspension or termination of Plan**

- (a) The Plan may be suspended or terminated at any time by resolution of the Board.

- (b) In the event of a suspension or termination, these Rules will continue to operate with respect to any EOP Options issued under the Plan prior to that suspension or termination.

## **10 Contracts of Employment and Other Employment Rights**

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### **10.1 Rules not part of employment contract etc**

- (a) This Plan does not form part of any contract of employment or services between a Group Company, or any Related Body Corporate of a Group Company, and any Eligible Employee.
- (b) Nothing in these Rules confers on any Eligible Employee the right to receive any EOP Options.
- (c) It is a condition of these Rules that the Plan may be terminated at any time at the discretion of the Board and that no compensation under any employment or services contract will arise as a result.

### **10.2 Termination of employment**

This Plan:

- (a) does not confer on any Eligible Employee or Participant the right to continue as an employee or officer or contractor of any Group Company or any Related Body Corporate of a Group Company;
- (b) does not affect any rights which a Group Company, or any Related Body Corporate of a Group Company, may have to terminate the employment or office of or contractual relations with the Eligible Employee or Participant; and
- (c) may not be used to increase damages in any action brought against a Group Company, or any Related Body Corporate of a Group Company, in respect of that termination.

## **11 Connection with other plans**

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Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other Employee Incentive Scheme by the Company unless the terms of that other Employee Incentive Scheme provide otherwise.

## **12 Notices**

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Any person of direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post to the person's last known address or given in any reasonable manner which the Board from time to time determines.

## **13 Plan costs and brokerage**

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- (a) Unless otherwise determined by the Board, the Company must pay:
  - (i) all costs, charges and expenses relating to the establishment and operation of the Plan; and
  - (ii) any brokerage for the acquisition of Shares (including, without limitation, upon the exercise of an EOP Options) under the Plan.



- (b) For the avoidance of doubt, the Company is not responsible for any brokerage payable in relation to the sale of Shares or EOP Options held by any Participant.

## **14 Overseas Eligible Employees**

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The Company, at the Board's discretion, may:

- (a) invite Eligible Employees who are resident outside of Australia to participate in the Plan; and
- (b) make regulations for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Employees and Participants who are resident outside of Australia.

## **15 Subdivision 83A-C Applies**

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Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the scheme set out in these Rules.

## **16 General restrictions**

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### **16.1 General**

Notwithstanding any Rule, EOP Options may not be issued, transferred or dealt with under the Plan if to do so would contravene the Applicable Law or where the compliance with any Applicable Law would, in the opinion of the Board, be unduly onerous or impractical.

### **16.2 Limit on aggregate number of EOP Options**

Unless otherwise determined by the Board, the number of EOP Options which may be granted under this Plan (assuming all EOP Options were exercised) must not at any time exceed in aggregate 10% (ten percent) of the total number of issued Shares as of the time of the offer.

## **17 Amendment of the Rules, Vesting Conditions or terms of issue**

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### **17.1 General**

Subject to Rule 17.2 and the Applicable Law, the Board may amend, add to, delete, revoke or otherwise vary any or all of the Vesting Conditions, the terms of issue of an EOP Option, or these Rules at any time in any manner it thinks fit in its absolute discretion (**Amendment**).

### **17.2 Limitation on Amendments**

No Amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of EOP Options acquired by them prior to the date of the Amendment, other than an Amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future Applicable Law;
- (b) to correct any manifest error or mistake; or
- (c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

## **18 Governing law**

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These Rules are governed by and shall be construed in accordance with the laws of the State of New South Wales.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: UCW

Your proxy voting instruction must be received by **10.30am AEDT on Wednesday, 6 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home>. Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided.

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

