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**EUROZ LIMITED**  
**ACN 000 364 465**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 1:30 pm (WST)  
**DATE:** 20 November 2020  
**PLACE:** Level 18 Alluvion  
58 Mounts Bay Road  
PERTH WA 6000

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

***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.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm WST on 18 November 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's Report.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes 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 2020.”*

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

#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR RICHARD SIMPSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 13.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Richard Simpson, a Director who was appointed as an additional Director on 6 October 2020, retires, and being eligible, is elected as a Director.”*

#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR IAN PARKER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 13.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Ian Parker, a Director who was appointed as an additional Director on 6 October 2020, retires, and being eligible, is elected as a Director.”*

#### 5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR ROBERT BLACK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Robert Black, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**6. RESOLUTION 5 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of clause 13.8 of the Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the total aggregate amount of fees payable to non-executive Directors from \$150,000 per annum to \$300,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement.”*

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**7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO A DIRECTOR – MR RICHARD SIMPSON**

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

*“That, subject to the passing of Resolution 2, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3 Performance Rights to Mr Richard Simpson (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”*

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**Dated: 15 October 2020**

**By order of the Board**



**ANTHONY HEWETT  
COMPANY SECRETARY**

## Voting Prohibition Statements:

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast in any capacity by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such a member.</li></ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"><li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li><li>(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none"><li>(i) does not specify the way the proxy is to vote on this Resolution; and</li><li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li></ul></li></ul>
<b>Resolution 5 – Increase in Total Aggregate Remuneration for Non-Executive Directors</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"><li>(a) the proxy is either:<ul style="list-style-type: none"><li>(i) a member of the Key Management Personnel; or</li><li>(ii) a Closely Related Party of such a member; and</li></ul></li><li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li></ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"><li>(a) the proxy is the Chair; and</li><li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li></ul>
<b>Resolution 6 – Issue of Performance Rights to a Director – Mr Richard Simpson</b>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"><li>(a) the proxy is either:<ul style="list-style-type: none"><li>(i) a member of the Key Management Personnel; or</li><li>(ii) a Closely Related Party of such a member; and</li></ul></li><li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li></ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"><li>(a) the proxy is the Chair; and</li><li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li></ul>

### Voting Exclusion Statements:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 5 – Increase in Total Aggregate Remuneration for Non-Executive Directors</b>	A Director or an associate of that person or those persons.
<b>Resolution 6 – Issue of Performance Rights to Director – Mr Richard Simpson</b>	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question including Mr Richard Simpson under Resolution 6 or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

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

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9488 1400.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the Auditor's Report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.euroz.com](http://www.euroz.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

A remuneration report sets out a company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for the financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR RICHARD SIMPSON**

### **3.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Richard Simpson, having been appointed by other Directors on 6 October 2020 in accordance with the Constitution, will retire in accordance with clause 13.4 of the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **3.2 Qualifications and other material directorships**

Richard Simpson holds a Bachelor of Applied Science (Hons), and an MBA from the University of Western Australia. Richard began his career as a petroleum engineer prior to joining NM Rothschild & Sons in London working in corporate finance and specialising in natural resources and privatisations. Richard returned to Australia to join the US Investment Bank, Salomon Brothers Inc based in both Sydney and Melbourne, specialising in M&A and corporate advisory transactions in the resource and infrastructure sectors. In 1995 Richard returned to Perth to join Hartleys Corporate Finance. Richard served as Head of Corporate Finance from February 2002 to 2009 and was an Executive Chairman and Managing Director of Hartleys Limited from the successful management buyout in 2003 until August 2008.

Mr Richard Simpson is a director of Euroz Hartleys Limited (formerly Hartleys Limited). He is the Chairman of the Botanic Gardens and Parks Authority, a WA State Government Statutory Authority, and a director of the WA Parks Foundation.

### **3.3 Independence**

If elected, the Board does not consider that Mr Richard Simpson will be an independent director, as per the 4<sup>th</sup> Edition of ASX Corporate Governance Principles and Recommendations.

### **3.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Richard Simpson.



### **3.5 Board recommendation**

The Board has reviewed Mr Richard Simpson's performance since his appointment to the Board and considers that Mr Richard Simpson's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Richard Simpson who has an interest in the resolution) supports the election of Mr Richard Simpson and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR IAN PARKER**

### **4.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Ian Parker, having been appointed by other Directors on 6 October 2020 in accordance with clause 13.4 of the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **4.2 Qualifications and other material directorships**

Ian Parker holds a Bachelor of Arts (Economics) degree from Murdoch University (WA) and is a Master Stockbroker member of the Stockbrokers and Financial Advisers Association (SAFAA). Ian has been in the financial services industry since 1981 and later became a Director of Gilpear Investment Group. In January 1991 Ian joined Hartleys as a private client adviser and since that time became a senior member of the Hartleys team, was a member of the Executive Council, Underwriting Committee and Head of the Private Client Advisory Board for 2 years. Ian was appointed a director of Hartleys in May 2003 as part of the successful management buyout in October 2003 and was appointed Chairman of Hartleys in February 2015.

Mr Ian Parker is a director of Euroz Hartleys Limited (formerly Hartleys Limited).

### **4.3 Independence**

If elected, the Board does not consider that Mr Ian Parker will be an independent director, as per the 4<sup>th</sup> Edition of ASX Corporate Governance Principles and Recommendations.

### **4.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Ian Parker.

#### **4.5 Board recommendation**

The Board has reviewed Mr Ian Parker's performance since his appointment to the Board and considers that Mr Ian Parker's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board (other than Mr Ian Parker who has an interest in the resolution) supports the election of Mr Ian Parker and recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR**

#### **5.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Robert Black, who has served as a Director since 1 August 2017, and was last re-elected on 3 November 2017, retires by rotation and seeks re-election.

#### **5.2 Qualifications and other material directorships**

Mr Robert Black has been working in the stockbroking industry since 1995 and has spent time based in Sydney, Melbourne and London. Rob is the Managing Director and a member of the Institutional Sales Division of Euroz Hartleys Securities Limited (formerly Euroz Securities Limited) and is responsible for servicing domestic and international institutions. Rob is also a Director of Euroz Hartleys Limited and Entrust Wealth Management Pty Ltd. He holds a Bachelor of Business in Finance and Accounting and is a Graduate of the Australian Institute of Company Directors.

#### **5.3 Board recommendation**

The Board has reviewed Mr Robert Black's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Robert Black and recommends that Shareholders vote in favour of Resolution 4.

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### **6. RESOLUTION 5 – INCREASE IN TOTAL AGGREGATE REMUNERATION FOR NON-EXECUTIVE DIRECTORS**

#### **6.1 General**

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Directors' fees include all fees payable by the entity or any of its child entities to a non-executive director for acting as a director of the entity or any of its child entities (including attending and participating in any board committee meetings), superannuation contributions for the benefit of a non-executive director and any fees which a non-executive director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with an entity's constitution, or securities issued to a non-executive director under Listing Rules 10.11 or 10.14 with the approval of the holders of its ordinary securities.

Clauses 13.7 and 13.8 of the Constitution also provide that total aggregate remuneration payable to the non-executive Directors will not exceed the sum

initially set by the Constitution and subsequently increased by ordinary resolution of Shareholders in a general meeting.

The maximum aggregate amount of fees payable to the non-executive Directors is currently set at \$150,000.

Resolution 5 seeks Shareholder approval for the purposes of clause 13.8 of the Constitution and Listing Rule 10.17 to increase the total aggregate amount of fees payable to non-executive Directors to \$300,000.

The maximum aggregate amount of fees proposed to be paid to non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

## **6.2 Technical information required by Listing Rule 10.17**

If Resolution 5 is passed, the maximum aggregate amount of fees payable to the non-executive Directors will increase by \$150,000 to \$300,000. Whilst it is not envisaged that the maximum amount sought will be utilised immediately, the increase to maximum aggregate amount of fees payable may enable the Company to:

- (a) fairly remunerate both existing and any new non-executive Directors joining the Board;
- (b) remunerate its non-executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates; and
- (c) have the ability to attract and retain non-executive Directors whose skills and qualifications are appropriate for a company of the size and nature of the Company.

If Resolution 5 is not passed, the maximum aggregate amount of fees payable to non-executive Directors will remain at \$150,000. This may inhibit the ability of the Company to remunerate, attract and retain appropriately skilled non-executive Directors.

In the previous 3 years, no securities have been issued to non-executive Directors under Listing Rules 10.11 or 10.14.

## **6.3 Board Recommendation**

The Board makes no recommendation to Shareholders regarding this Resolution.

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## **7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR RICHARD SIMPSON**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 3 Performance Rights to Mr Richard Simpson (or his nominee) pursuant to the Performance Rights Plan and on the terms and conditions set out below.

## **7.2 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to Mr Richard Simpson (or his nominee) constitutes giving a financial benefit and Mr Richard Simpson is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Richard Simpson) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Performance Rights constitutes reasonable remuneration payable to Mr Richard Simpson.

## **7.3 Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Mr Richard Simpson falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 6 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

## **7.4 Technical information required by Listing Rule 14.1A**

If Resolution 6 is passed (subject to Resolution 2 being passed) the Company will be able to proceed with the issue of 3 Performance Rights to Mr Richard Simpson under the Performance Rights Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 2 or Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Richard Simpson under the Performance Rights Plan.

## 7.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) the Performance Rights will be issued to Mr Richard Simpson (or his nominee), who falls within the category set out in Listing Rule 10.14.1, by virtue of Mr Richard Simpson being a Director;
- (b) the maximum number of Performance Rights to be issued to Mr Richard Simpson (or his nominee) is 3;
- (c) the current total remuneration package for Mr Richard Simpson is \$275,000, comprising base salary and superannuation only. Bonuses, additional superannuation and other cash benefits have not been included as they cannot be determined at this time;
- (d) no Performance Rights have previously been issued to Mr Richard Simpson under the Performance Rights Plan as he has only recently been appointed as a Director;
- (e) the Performance Rights will be granted to Mr Richard Simpson for nil cash consideration, accordingly no funds will be raised;
- (f) the Performance Rights Plan was adopted by Shareholders at the Company's general meeting on 22 November 2019. A summary of the material terms and conditions of the Performance Rights Plan are summarised in Schedule 1;
- (g) any full or part time employee or Director of the Company is entitled to participate in the Performance Rights Plan. All of the Directors, being Messrs Andrew McKenzie, Robert Black, Jay Hughes, Richard Simpson and Ian Parker, are entitled to participate in the Performance Rights Plan;
- (h) no loan will be provided to Mr Richard Simpson with respect to the Performance Rights;
- (i) the primary purpose of the grant of the Performance Rights to Mr Richard Simpson is to provide a performance linked incentive component in the remuneration package of Mr Richard Simpson and to motivate and reward the performance of Mr Richard Simpson in his role as a Director;
- (j) the Company has not obtained an independent valuation of the Performance Rights on the basis that the fair value of the Performance Rights is estimated based on the amount of the bonus that will be paid at year end (which as at the date of grant of the Performance Rights is unknown). An estimation of the value of the Performance Rights based on different variables for the Profit Share Bonus Payments and VWAP based on the actual Profit Share Bonus Payments for the previous financial year, are set out in the table in Schedule 2. If the Performance Rights issued to Mr Richard Simpson vest and are exercised in accordance with the terms and conditions of the Performance Rights Plan, Shares will be issued to Mr Richard Simpson. There would be no increase to the number of Shares on issue as these Shares would be purchased on market;
- (k) the Performance Rights will be issued to Mr Richard Simpson (or his nominee) no later than 3 years after the date of the Meeting (or such

later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that 1 Performance Right will be issued to Mr Richard Simpson immediately for the 2021 financial year, and 1 Performance Right issued at the commencement of each of the 2022 and 2023 financial years; and

- (l) details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Performance Rights Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Auditor's Report** means the independent auditor's report set out in the Company's annual financial report for the year ended 30 June 2020.

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

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Euroz Limited (ACN 000 364 465).

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

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Performance Rights** has the meaning given to that term in Schedule 1.

**Performance Rights Plan** means the Company's performance rights plan adopted by the Company on 22 November 2019.

**Profit Share Bonus Payments** has the meaning given to that term in Schedule 2.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' report section of the Company's annual financial report for the year ended 30 June 2020.

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

**Section** means a section of the Explanatory Statement.

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

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

**WST** means Western Standard Time as observed in Perth, Western Australia.



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## SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN

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The following is a summary of the key terms and conditions of the Performance Rights Plan:

### 1. Eligible Participants

The Plan is open to any full time or part time employee or executive director of the Euroz Group who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan (**Eligible Participants**). All employees participating in the Company's current Profit Share Bonus Payments (**Cash Bonus Schemes**) will participate in the Plan and 25% of the bonus will be invested in the Performance Rights.

### 2. Purpose of the Plan:

The purpose of the Plan is defer 25% of Eligible Participants' Profit Share Bonus Payments into equity in the Company to provide an incentive to Eligible Participants by enabling them to participate in the future growth of the Company and upon becoming shareholders, to participate in the Company's profits and development. Under the Plan Eligible Participants may be granted rights to Shares upon the satisfaction of specified performance criteria (**Performance Rights**). The provision of this incentive is expected to result in future benefits to the shareholders and Eligible Participants.

### 3. Offer of Performance Rights

All Eligible Participants participating in the Company's current cash bonus schemes will defer part of the bonus for each financial year into Performance Rights. Performance Rights will be granted at the start of the relevant financial year. The Board may make a written offer (**Offer**) to the Eligible Participant of Performance Rights which will form the deferred component of their Profit Share Bonus Payment. The Offer will specify the number of Performance Rights being offered and the conditions that must be met by the Eligible Participant before the Performance Rights will vest.

### 4. Number of Rights Offered

The number of Performance Rights that will be offered to an Eligible Participant pursuant to an Offer is entirely within the discretion of the Directors. Each Performance Rights will, upon vesting, entitle the holder to:

- (a) a specified number of Shares (**Standard Performance Right**); or
- (b) a specified number of Shares calculated by the Plan Dollar Value divided by the 30-day VWAP preceding the calculation date as specified in the offer (**Formulaic Performance Right**),

### 5. Vesting Conditions

The Board will have the discretion to determine what vesting conditions and or performance hurdles must be met by Eligible Participant in order for the Performance Rights and or Shares to vest and become exercisable.

## **6. Vesting**

The Performance Rights will not vest unless the vesting conditions imposed by the Board have been satisfied. Once the Board determined whether or not the vesting conditions, performance hurdles and/or other conditions have been met it will notify the participants of the number of Performance Rights/Shares that have vested and or lapsed.

## **7. Exercise Price**

An Eligible Participant will not be required to make any payment in return for a grant of Performance Rights nor for the issue or transfer of Shares upon the vesting of Performance Rights.

## **8. Lapse of Rights**

Performance Rights that have not vested will lapse on the seventh anniversary of the date of grant of the Performance Rights or on the first to occur of certain specified events, including:

- (a) a failure to meet the vesting conditions;
- (b) a purported transfer of the Performance Rights without the Board's consent;
- (c) the Eligible Participant ceasing his or her employment or employment relationship with the Euroz Group; or
- (d) any other circumstances specified by the Board in the Offer.

The Board will have overriding discretion to determine that some or all unvested Performance Rights will not lapse.

## **9. Bad Leaver**

If the Eligible Participant is a bad leaver, as determined by the Board, then all Shares issued and or transferred to the Eligible Participant under the Plan will be forfeited unless otherwise determined by the Board and the trustee of the Employee Share Trust as set out in (m) will become the legal and beneficial owner of the Shares.

## **10. Shares Issued Upon Exercise of Rights**

The Company will issue or transfer shares to the Eligible Participant as soon as practicable after the vesting of Performance Rights. The shares issued under the Plan will be of the same class and will rank equally with shares in the Company at the date of issue. The Company will seek listing of the new shares on ASX within the time required by ASX Listing Rules.

## **11. Share Restrictions**

Prior to the grant the Board has discretion to impose disposal restrictions on Shares received following the exercise of Performance Rights by way of either Trust or ASX Holding Lock. The Eligible Participant will have full dividend and voting rights during the share disposal restriction period.

## **12. Transfer of Rights**

A Performance Right is not transferable without the consent of the Board.

## **13. Employee Share Trust**

The Plan will be operated through an employee share trust structure. Under the trust, on vesting and exercise of any Performance Rights the resultant Shares will be held via the trust where the trustee will be the legal owner of the share and the employee the beneficial owner.

## **14. Change of Control, Takeover, Scheme or Arrangement**

In the event of a takeover bid under which the bidder acquires a relevant interest in at least 50.1% of the Company's shares, being declared unconditional, the Board may determine that that all or a specified number of the Performance Rights vest. Unless the Board determines otherwise any Performance Right which the Board determines does not vest will lapse.

In the event that a Court approves a proposed compromise or arrangement for the purpose of a scheme for the reconstruction of the Company or its amalgamation with any other company, or any person becomes bound or entitled to acquire shares in the Company under the Corporations Act, the Board may determine that all or a specified number of an Eligible Participant's Performance Rights vest. Unless otherwise determined by the Board any Performance Right which the Board determines does not vest will lapse.

## **15. Bonus Issues, Rights Issues and Capital Reconstruction**

In order to prevent a reduction of the number of shares to which the Performance Rights relate in the event of bonus issues, rights issues or a capital reconstruction, there are provisions in the rules which provide a method of adjustment of the number of Performance Rights to prevent such a reduction.

## **16. Participation in New Issues**

There are no participating rights or entitlements inherent in the Performance Rights and the holders will not be entitled to participate in new shares of capital offered to shareholders during the currency of the Performance Rights. In addition, holders of Performance Rights will not be entitled to vote or receive dividends as a result of their holding of Performance Rights.

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## SCHEDULE 2 – GRANT OF PERFORMANCE RIGHTS

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The Company operates as the parent company of Euroz Hartleys Securities Limited and Euroz Hartleys Limited (together, **Euroz Hartleys**)<sup>1</sup>, Westoz Funds Management Pty Ltd (**Westoz**) and Entrust Wealth Management Pty Ltd (**Entrust**) as well as holding various direct investments in its own right. Profits and revenue generated by Euroz Hartleys, Westoz and Entrust are paid by way of dividend to Euroz. Euroz also receives dividends from direct investments in Westoz Investment Company Limited (ASX:WIC), Ozgrowth Limited (ASX:OZG) and other direct investments.

Depending on arrangements made and the roles undertaken the employees (including executive directors) of the Company, Euroz Hartleys, Westoz, and Entrust (together the **Euroz Group**) are largely remunerated by base salary plus either commission earned (**Commission**) or discretionary bonus (**Discretionary Bonus**) or bonuses payable from the Profit Share Bonus Pool (**Profit Share Bonus Payments**).

The Profit Share Bonus Pool will be a share of the pre-tax profit of Euroz Hartleys that is distributed amongst certain executive directors and other employees of Euroz Hartleys through Profit Share Bonus Payments.

Employees who work in the Private Clients Division of Euroz Hartleys as investment advisers are largely remunerated through Commission on top of a base salary. Employees who work in the Institutional, Corporate Finance and Research areas of Euroz Hartleys are remunerated by base salary and Profit Share Bonus Payments. Employees who work in the administration areas of Euroz Hartleys are remunerated by base salary and Discretionary Bonus. Employees who work in Entrust as investment advisers are largely remunerated through Commission on top of a base salary. Employees who work in the administration areas of Entrust are remunerated by base salary and Discretionary Bonus. Employees who work in Westoz are remunerated by base salary and Discretionary Bonus.

The Profit Share Bonus Payments are payments out of the Profit Share Bonus Pool. The Remuneration Committee determines the allocation and distribution of the Profit Share Bonus Pool at the end of every half and full financial year based on the following informal criteria:

- (a) ability to perform individual tasks within the relevant department;
- (b) ability to add value and innovate beyond the job standard specifications;
- (c) development of new and existing client relationships;
- (d) ability to interact with other relevant departments as part of a larger team approach;
- (e) adherence to company policies and procedures as well as Compliance track record
- (f) relevant industry salary benchmarking; and
- (g) general requirements to attract and retain staff.

A large number of the executive directors of Euroz Hartleys, except those remunerated by Commission or forming part of the Administration Division are remunerated with a base salary and participation in the Profit Share Bonus Pool through Profit Share Bonus Payments.

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<sup>1</sup> Note as previously announced to ASX, it is proposed that Euroz Securities will merge with Euroz Hartleys.

A Performance Right represents a right to be issued either:

- (a) a specified number of Shares (**Standard Performance Right**); or
- (b) a specified number of Shares calculated by 25% of the Profit Share Bonus Payment dollar value divided by the 30-day VWAP preceding the calculation date as specified in the offer (**Formulaic Performance Right**).

Performance Rights will vest into Shares subject to satisfactory performance assessed against pre-determined KPIs during 2020, 2021, and 2022 (**Relevant Financial Year**).

The vesting outcomes will be determined by approximately 20 June in each Relevant Financial Year and vesting notices issued. Upon vesting the Performance Rights will be automatically exercised into Shares.

As the Performance Rights will be Formulaic Performance they will entitle Mr Richard Simpson to a specified number of Shares calculated by the following formula:

$$\text{Shares upon Exercise of the Performance Right} = \frac{25\% \times \text{Profit Share Bonus Payment (Plan Dollar Value)}}{\text{VWAP}}$$

Where:

**Profit Share Bonus Payment** means the payment to be received by the Related Parties out of the Profit Share Bonus Pool for the Relevant Financial Year, as determined by the Company's Remuneration Committee.

**VWAP** means the 30-day VWAP preceding the calculation date as specified in the offer for the Relevant Financial Year.

Accordingly, the Plan Dollar Value and consequently the Shares that the Related Parties will be entitled to upon the vesting of the Performance Rights will depend on the Profit Share Bonus Pool for that Relevant Financial Year, the VWAP and the Profit Share Bonus Payment received by each Eligible Participant.

For example if the Profit Share Bonus Payment for Mr Richard Simpson for a Relevant Financial Year is \$125,000 then the Plan Dollar Value would be \$31,250. Assuming that the VWAP is \$1.19 (being the most recent Share Price of Euroz Shares prior to dispatch of this Notice of Meeting) then Mr Richard Simpson would be entitled to 26,261 Shares.

The table below sets out further theoretical examples based on different variables for the Profit Share Bonus Payments and VWAP based on the Profit Share Bonus Payment for the previous financial year, being \$125,000.

		Profit Share Bonus Payment for the Relevant Financial Year			
			\$62,500 (50% decrease in Profit Share Bonus Payment)	\$125,000 (Profit Share Bonus Payment received for Financial Year 2020/21)	\$187,500 (50% increase in Profit Share Bonus Payment)
VWAP	\$1.19 (Most recent Share Price)	Plan Dollar Value	\$15,625	\$31,250	\$46,875
		Shares	13,130	26,261	39,391
	\$0.595 (50% decrease in Current Share Price)	Plan Dollar Value	\$15,625	\$31,250	\$46,875
		Shares	26,261	52,521	78,782
	\$1.785 (50% increase in Current Share Price)	Plan Dollar Value	\$15,625	\$31,250	\$46,875
		Shares	8,754	17,507	26,261

Therefore, assuming a 50% decrease in current Share price and 50% increase in the Profit Share Bonus Payments the maximum would be 78,782 Shares for each member of the Plan for each Relevant Financial Year.

**Need assistance?****Phone:**1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)**Online:**[www.investorcentre.com/contact](http://www.investorcentre.com/contact)**YOUR VOTE IS IMPORTANT**For your proxy appointment to be effective it must be received by **1:30 PM (AWST) on Wednesday, 18 November 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 form when you return it.**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

**Corporate Representative**If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**Online:**Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 184374****SRN/HIN:**For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)**By Mail:**Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia**By Fax:**1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Euroz Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Euroz Limited to be held at Level 18 Alluvion, 58 Mounts Bay Road, Perth, WA 6000 on Friday, 20 November 2020 at 1:30 PM (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 6 by marking the appropriate box in step 2.

## Step 2 Item of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr Richard Simpson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Ian Parker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director – Mr Robert Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Increase in Total Aggregate Remuneration for Non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Performance Rights to a Director – Mr Richard Simpson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

