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**EUROZ HARTLEYS GROUP 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:** 17 November 2022

**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 4:00pm (WST) on 15 November 2022.***

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## CHAIRMAN'S LETTER

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Dear Shareholders,

The success of Euroz Hartleys Group Limited is highly dependent on our ability to attract, retain and reward highly motivated and capable individuals. The nature of our business means we are very reliant on our employees' ability to generate revenue and returns for our Shareholders.

The key element of our retention and remuneration strategy that underpins the strength of our business is the Euroz Hartleys Group Limited Performance Rights Plan (**Plan**). A performance rights plan was first introduced in 2014 and has functioned effectively to incentivise our key employees and allowed them to accumulate meaningful equity in the Company over time. This has strengthened the connection and balance between employee performance and shareholder returns. The proposed Plan is a replacement of the existing plan. The Plan retains the vesting period in line with the existing plan and ATO limits with a maximum vesting period of up to 15 years. This is highly beneficial to Shareholders in that it further serves to extend the longevity of our staff.

You may be aware that the Company does not pay any form of remuneration to any executive directors or employees either in the form of salary and wages or Directors fees. All of our executive directors and employees are remunerated directly for their full-time executive activities from Euroz Hartleys Limited.

The Plan is a tax effective structure that allows the Company to convert a portion of an employee's pre-tax dollar bonus into ordinary shares in the Company. Whilst we have the flexibility to issue new equity if required, the absolute intention of the Plan is for the Euroz Hartleys Employee Share Trust to continue to buy these Shares on market over the course of a particular financial year in proportion with the ongoing profitability of the business.

The Board believes that this unique structure has provided a balance between shareholders' interests and rewarding and retaining the most important asset of our business – our staff.

As announced on Wednesday 14 September 2022, the Board proposes to provide a return of capital of approximately \$40 million by way of an equal capital reduction and share cancellation. The Corporations Act requires the Company to obtain Shareholder approval by ordinary resolution for the Capital Reduction, which will be sought at the Meeting.

If the Capital Reduction is approved by Shareholders, Eligible Shareholders will each receive a cash payment equal to the pro rata amount of the Capital Reduction relative to their shareholding in the Company with a corresponding equivalent value of Shares to be subject to the Share cancellation. The number of Shares to be cancelled for each Eligible Shareholder will be based on the pro rata amount of the Capital Reduction divided by the 4-day volume weighted average price (VWAP) of the Company's Shares traded on ASX up to and including the last day of trading on a 'cum Capital Reduction' basis prior to the record date for the Capital Reduction, rounded down to the nearest whole Shares.

This proposed capital management initiative will cancel approximately \$40 million of our current issued capital, complete our strategic objective of simplifying our corporate structure while retaining a strong and efficient balance sheet to support Western Australia's leading financial services business.

We look forward to your support for these important capital management and remuneration initiatives at the AGM on 17 November 2022.

Yours sincerely

**Andrew McKenzie**  
**Executive Chairman**

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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 2022 together with the declaration of the Directors, the Director's 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 2022."*

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

A voting prohibition statement applies to this Resolution. Please see below.

#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – FIONA KALAF

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 13.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Fiona Kalaf, a Director who was appointed as an additional Director on 28 June 2022, retires, and being eligible, is elected as a Director."*

#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – ROBERT BLACK

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

#### 5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – IAN PARKER

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 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Ian Parker, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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**6. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – 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 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Richard Simpson, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**7. RESOLUTION 6 – APPROVAL OF PERFORMANCE RIGHTS PLAN**

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

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt the employee incentive scheme titled Performance Rights Plan (as summarised in the Explanatory Statement) and for the issue of up to 600 Performance Rights under that plan.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**8. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR ANDREW MCKENZIE**

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

*“That, subject to the passing of Resolution 6, 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 Andrew McKenzie (or his nominee) under the Performance Rights Plan on the terms and conditions set out in section 6 of the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**9. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR ROBERT BLACK**

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

*“That, subject to the passing of Resolution 6, 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 Robert Black (or their nominee) under the Performance Rights Plan on the terms and conditions set out in Section 6 of the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**10. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO 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 6, 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 their nominee) under the Performance Rights Plan on the terms and conditions set out in Section 6 of the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**11. RESOLUTION 10 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR JAY HUGHES**

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

*“That, subject to the passing of Resolution 6, 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 Jay Hughes (or their nominee) under the Performance Rights Plan on the terms and conditions set out in Section 6 of the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**12. RESOLUTION 11 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR IAN PARKER**

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

*“That, subject to the passing of Resolution 6, 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 Ian Parker (or their nominee) under the Performance Rights Plan on the terms and conditions set out in Section 6 of the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**13. RESOLUTION 12 – ISSUE OF LONG TERM INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR ANDREW MCKENZIE**

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

*“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 3 Long Term Incentive Performance Rights to Mr Andrew McKenzie (or his nominee) under the Performance Rights Plan on the terms and conditions set out in Section 7 of the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**14. RESOLUTION 13 – APPROVAL FOR AN EQUAL REDUCTION OF CAPITAL AND CANCELLATION OF SHARES**

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

*“That, for the purposes of Section 256B and 256C of the Corporations Act and for all other purposes, the issued share capital of the Company be reduced by approximately \$40 million by an equal capital reduction and share cancellation on a pro-rata basis, on the terms and conditions set out in the Explanatory Statement.”*

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**15. RESOLUTION 14 – REPLACEMENT OF CONSTITUTION**

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

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”*

**Dated: 7 October 2022**

**By order of the Board**

**ANTHONY HEWETT  
COMPANY SECRETARY**

## Voting Prohibition Statements

<p><b>Resolution 1 – Adoption of Remuneration Report</b></p>	<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>
<p><b>Resolution 6 – Approval of Performance Rights Plan</b></p>	<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>
<p><b>Resolutions 7 to 11 – Issue of Performance Rights to Directors</b></p>	<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>
<p><b>Resolution 12 – Issue of Long Term Incentive</b></p>	<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:</li> </ul>

<b>Performance Rights to Director</b>	(iii)	a member of the Key Management Personnel; or
	(iv)	a Closely Related Party of such a member; and
	(b)	the appointment does not specify the way the proxy is to vote on this Resolution.
	However, the above prohibition does not apply if:	
(a)	the proxy is the Chair; and	
(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.	

### 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 6 – Approval of Performance Rights Plan</b>	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
<b>Resolution 7 – Issue of Performance Rights to Director</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 Andrew McKenzie) or an associate of that person or those persons.
<b>Resolution 8 – Issue of Performance Rights to Director</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 Robert Black) or an associate of that person or those persons.
<b>Resolution 9 – Issue of Performance Rights to Director</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) or an associate of that person or those persons.
<b>Resolution 10 – Issue of Performance Rights to Director</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 Jay Hughes) or an associate of that person or those persons.
<b>Resolution 11 – Issue of Performance Rights to Director</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 Ian Parker) or an associate of that person or those persons.
<b>Resolution 12 – Issue of Long Term Incentive Performance Rights to Director</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 Andrew McKenzie) 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 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two 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 2022 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.

The remuneration report sets out the 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 a 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 – FIONA KALAF**

### **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.

Fiona Kalaf, having been appointed by the other Directors on 28 June 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

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

Fiona brings to the board a range of experience in Marketing, Strategy, Planning and Performance across a broad variety of industries including financial services, health and mental health. Fiona started her career at Wesfarmers, moving to roles at Commonwealth Bank, Asgard and HBF before becoming CEO of Lifeline WA and CEO of Youth Focus and is currently the General Manager of Projects at APM.

Fiona is currently a Director of Celebrate WA, a Director of the Perth Festival and a General Councillor of HBF Health. Fiona holds a Bachelor of Architecture from the University of Western Australia, a Bachelor of Arts from the University of Western Australia an MBA from Curtin University and is a graduate of the AICD Company Director's course.

### **3.3 Independence**

Fiona has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers Fiona will be an independent Director.

### **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 Fiona.

Fiona has confirmed that she considers she will have sufficient time to fulfil her responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with her availability to perform her duties as a Non-Executive Director of the Company.

### **3.5 Board recommendation**

The Board has reviewed Fiona's performance since her appointment to the Board and considers that Fiona's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Fiona and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTIONS 3 TO 5 – RE-ELECTION OF DIRECTORS**

### **4.1 General**

Listing Rule 14.4 and clause 13.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement.

The following directors retire by rotation and seek re-election:

- (a) **(Resolution 3)**: Robert Black, who has served as a Director since 1 August 2017 and was last re-elected on 20 November 2020;
- (b) **(Resolution 4)**: Ian Parker, who has served as a Director since 6 October 2020 and was last re-elected on 20 November 2020; and
- (c) **(Resolution 5)**: Richard Simpson, who has served as a Director since 6 October 2020 and was last re-elected on 20 November 2020.

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

#### **Robert Black**

Robert Black has been working in the stockbroking industry since 1995 and has spent time based in Sydney, Melbourne and London. Rob is an Executive Director and the Head of Syndication of Euroz Hartleys Limited and is responsible for servicing domestic and international institutions. Rob is an Executive Director of Euroz Hartleys Group Limited. Rob holds a Bachelor of Business in Finance and Accounting from Edith Cowan University and is a Graduate of the AICD.

#### **Ian Parker**

Ian Parker has extensive knowledge in the areas of financial planning and investment advice, specifically, equities and options trading.

Ian holds a Bachelor of Arts (Economics) degree from Murdoch University (WA) and is a Master Stockbroker member of the Stockbrokers and Financial Advisors 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 wealth 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.

### **Richard Simpson**

Richard Simpson brings to the board extensive corporate finance, advisory and equity capital market experience and knowledge gained through a number of senior Australian and international corporate finance positions.

Richard 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.

### **4.3 Independence**

If re-elected, the Board does not consider any of Robert Black, Ian Parker or Richard Simpson to be independent Directors.

### **4.4 Board recommendation**

The Board has reviewed Messrs Black, Parker and Simpson's performance since their appointment to the Board and considers that Messrs Black, Parker and Simpson's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Messrs Black, Parker and Simpson and recommends that Shareholders vote in favour of Resolutions 3 - 5.

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## **5. RESOLUTION 6 – APPROVAL OF PERFORMANCE RIGHTS PLAN**

### **5.1 General**

Resolution 6 seeks Shareholder approval for the Company's employee incentive scheme titled "Performance Rights Plan" (**Performance Rights Plan or Plan**) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary

securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

The maximum number of Performance Rights proposed to be issued under the Performance Rights Plan is 600 Performance Rights, which is based on the Company granting Performance Rights to all employees of the Company over the next three years at a rate of one (1) Performance Right per employee per year. It is therefore not envisaged that the maximum number of securities for which approval is sought will be issued immediately. It is proposed that Messrs McKenzie, Black, Simpson, Hughes and Parker, directors of the Company, be issued Performance Rights subject to Shareholder approval pursuant to Resolutions 7 to 11.

If Resolution 6 is passed, the Company will be able to proceed with the issue Performance Rights under the Performance Rights Plan to Eligible Participants over a period of three years. The issue of any Performance Rights to Eligible Participants under the Performance Rights Plan will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will be able to proceed with the issue of Performance Rights under the Performance Rights Plan to Eligible Participants, however any issues of Performance Rights will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Performance Rights.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained.

A Performance Right represents a right to be issued either:

- (a) a specified number of Shares (**Standard Performance Right**);
- (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**);  
or
- (c) an unspecified number of Shares, such number to be determined by the Board in its absolute discretion (**Discretionary Performance Right**),

at a future point in time subject to the satisfaction of any conditions related to vesting performance hurdles and/or exercise.

Whether the Performance Rights will be Standard Performance Rights, Formulaic Performance Rights or Discretionary Performance Rights will be set out in the offer.

Any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is seeking approval under Resolutions 7 to 11 for the issue of Performance Rights to certain Directors pursuant to the Plan.

The Company has issued a total of 322 Performance Rights under the Performance Rights Plan since the Performance Rights Plan was last approved by Shareholders at the Company's annual general meeting held on 22 November 2019.

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary, Mr Anthony Hewett. Shareholders are invited to contact the Company if they have any queries.

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## **6. RESOLUTIONS 7 TO 11 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS**

### **6.1 General**

The Company has agreed, subject to obtaining Shareholder approval for the Company to adopt the Performance Rights Plan (the subject of Resolution 6), to grant three (3) Performance Rights to each of Andrew McKenzie, Robert Black, Richard Simpson, Jay Hughes and Ian Parker (or their nominees) (**Related Parties**) pursuant to the Performance Rights Plan and on the terms and conditions set out below (**Related Party Performance Rights**).

The purpose of the issue of the Related Party Performance Rights to the Related Parties (or their nominees) is to further motivate and incentivise Directors within a specified period by optimising and aligning performance with the interests of Shareholders. The Board considers the granting of the Related Party Performance Rights to be a cost-effective reward for the Company to make to appropriately incentivise the continued performance of the Related Parties and is consistent with the strategic goals and targets of the Company.

### **6.2 Overview of Euroz's existing remuneration process**

The Company operates as the parent company for Euroz Hartleys Limited (**Euroz Hartleys**). Profits and revenue generated by Euroz Hartleys are paid by way of dividend to the Company. The Company also receives income from direct investments.

Depending on arrangements made and the roles undertaken the employees (including executive directors) of the Company and Euroz Hartleys 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 is 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 Wealth Division of Euroz 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 are remunerated by base salary and Profit Share Bonus Payments. Employees who work in the administration areas of Euroz are remunerated by base salary and Discretionary Bonus. Employees who work as investment advisers are largely remunerated through Commission on top of a base salary.

The Profit Share Bonus Payments are payments out of the Profit Share Bonus Pool. The Euroz Hartleys Limited Executive Remuneration Committee in conjunction with the Company's 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.

The executive directors of Euroz Hartleys Limited, 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.

## **6.3 Operation of the Plan**

### **6.3.1 Timeline of events**

- (a) Eligible Participants are offered the opportunity to participate in the Plan in or around late November for the December half and late May for the June half of each Relevant Financial Year. Where an Eligible Participant elects to participate in the Plan then they will receive their bonuses as a combination of cash and equity in the Company as described below. Where an Eligible Participant opts not to participate in the Plan, then they will receive any bonus as 100% cash (less appropriate tax). For the avoidance of doubt, the Directors who are the subject of Resolutions regarding the approval of Performance Rights pursuant to this Notice of Meeting may not opt out of the Plan and will receive any bonus as a combination of cash and equity in the Company.
- (b) Notifications are made to Eligible Participants to participate in the Plan at the start of the financial year under which employees are paid 75% of any Profit Share Bonus Payments/Commission/Discretionary Bonus earned in cash, and are invited to apply for a Performance Right (in early/mid-June the following year) to receive the remaining 25% of any Profit Share Bonus Payments/Commission/Discretionary Bonus earned in Shares.



- (c) Performance will be assessed against criteria set as part of the current Profit Share Bonus Payments/Commission/Discretionary Bonus process (for avoidance of doubt, no additional or separate key performance criteria are required for the Plan – the Plan simply provides for payouts to be made in a combination of cash and equity).
- (d) Performance outcomes will be determined and finalised by approximately mid-June. Vesting Notices will be issued informing participants of the vesting outcomes of their Performance Right. Upon vesting, vested Performance Rights will be automatically exercised and participants will be issued/transferred the requisite number of Shares. Performance Rights that do not vest will lapse.
- (e) Shares will be issued/transferred subject to a service condition so that vesting of the Shares occurs on the 3rd anniversary of the issue of the Shares unless in the case of death or total and permanent disability (**Service Condition**). Shares will be forfeited where the Service Condition is not met. Note that any Shares issued/transferred will be held via an employee share trust (**Euroz Hartleys Employee Share Trust**) for ease of administration. Participants will be entitled to dividends upon being issued/transferred the Shares.
- (f) Subject to satisfaction of the Service Condition, vesting notices will be issued informing participants of the vesting outcomes of their Shares. Shares that do not vest will be forfeited.
- (g) Vested Shares will also remain subject to a disposal restriction. The disposal restriction will lift at the earlier of the 14<sup>th</sup> anniversary plus one (1) day of the issue of the Shares in respect of the Performance Rights or cessation of employment (under circumstances where Shares are not forfeited) (**Disposal Restriction**).
- (h) Provided the employee has continued employment, the Disposal Restriction is lifted.

### 6.3.2 Worked example of the operation of the Plan

- (a) Employee A has opted to participate in the Plan and receives a bonus of \$60,000 for a 12-month period. For any bonus earned, Employee A will be paid 75% in cash (i.e. up to \$45,000) and have a Right to receive 25% in Shares (i.e. up to \$15,000).
- (b) Bonuses will be subject to performance assessed against criteria over a 12-month period.
- (c) Performance outcomes are determined and finalised by mid-June. Assuming that the criteria are met, this will result in Employee A earning a bonus worth \$60,000 – 75% is paid in cash (i.e. \$45,000) and the balance is settled in Shares (i.e. \$15,000).
- (d) The number of Shares to be issued to Employee A will be calculated as: \$15,000 / 30-day VWAP preceding 31 May, rounded down to the nearest whole number.
- (e) Assuming that the 30-day VWAP preceding 31 May is \$1.50 – a vesting notice is issued and Employee A's vested Performance Right is automatically exercised resulting in Employee A being issued/transferred

10,000 Shares (i.e.. \$15,000 / \$1.50). Employee A is entitled to dividends on the Shares issued.

- (f) Employee A's Shares will be held via the Euroz Hartleys Employee Share Trust for ease of administration, and will remain subject to the Service Condition so that the Shares will not vest until the 3rd anniversary of the issue date of the Shares, unless in the case of death or total and permanent disability.
- (g) Provided Employee A satisfies the Service Condition, a vesting notice is issued and Employee A's Shares will vest.
- (h) Vested Shares remain subject to the Disposal Restriction. The Disposal Restriction will lift at the earlier of 14 years plus one (1) day from the issue date of the Shares or cessation of employment (under circumstances where Shares are not forfeited).
- (i) Provided Employee A has continued employment, the Disposal Restriction will lift on the 14th anniversary plus one (1) day of the of issue date of the Shares.

#### 6.4 Grant and Vesting of Performance Rights and Shares

To implement the participation of the Directors in the Plan, it is proposed that the Related Parties will be granted three (3) Related Party Performance Rights, one (1) in respect of each of the financial years ending 30 June 2023, 2024 and 2025 (each a **Relevant Financial Year**). They will be Formulaic Performance Rights, as defined in Section 5.1 above.

Accordingly, subject to Resolutions 7, 8, 9, 10 and 11 being passed, the Related Party Performance Rights will be granted to each Related Party as follows:

- (a) one (1) in June 2023 for the Relevant Financial Year ending 30 June 2023;
- (b) one (1) in June 2024 for the Relevant Financial Year ending 30 June 2024; and
- (c) one (1) in June 2025 for the Relevant Financial Year ending 30 June 2025.

The Related Party Performance Rights will vest into Shares subject to satisfactory performance assessed against performance criteria during the 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 Related Party Performance Rights will be automatically exercised into Shares.

As the Related Party Performance Rights will be Formulaic Performance Rights (defined at Section 5.1 above) they will entitle each Related Party to a specified number of Shares calculated by the following formula:

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

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 Related Party 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 Related Party.

For example, if the Profit Share Bonus Payment for each Related Party for a Relevant Financial Year is \$125,000 then the Plan Dollar Value would be \$31,250. Assuming that the VWAP is \$1.285 (being the Current Share Price of Euroz Shares) then each Related Party would be entitled to 24,319 Shares.

The table below sets out further theoretical examples based on different variables for the Profit Share Bonus Payments and VWAP based on the maximum individual actual Profit Share Bonus Payment received for the previous financial year, being \$820,000.

		Profit Share Bonus Payment for the Relevant Financial Year			
			\$410,000 (50% decrease in Profit Share Bonus Payment)	\$820,000 (Profit Share Bonus Payment received for Financial Year 2020/21)	\$1,230,000 (50% increase in Profit Share Bonus Payment)
VWAP	\$1.285 (Current Share Price)	Plan Dollar Value	\$102,500	\$205,000	\$307,500
		Shares	79,766	159,533	239,299
	\$0.6425 (50% decrease in Current Share Price)	Plan Dollar Value	\$102,500	\$205,000	\$307,500
		Shares	159,533	319,066	478,599
	\$1.9275 (50% increase in Current Share Price)	Plan Dollar Value	\$102,500	\$205,000	\$307,500
		Shares	53,177	106,355	159,533

Therefore, assuming a 50% decrease in Current Share Price and 50% increase in the Profit Share Bonus Payments the maximum would be 478,599 Shares for each Related Party for each Relevant Financial Year.

## 6.5 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.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

The grant of the Related Party Performance Rights to the Related Parties constitutes giving a financial benefit and Andrew McKenzie, Robert Black, Richard Simpson, Jay Hughes and Ian Parker (or their nominees) are related parties of the Company by virtue of being Directors.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

The Directors (other than the Related Parties) have formed the view that the proposed grant of the Related Performance Rights to the Related Parties (and/or their nominee(s)) falls within the Reasonable Remuneration Exemption, because the grant of Related Party Performance Rights constitutes reasonable remuneration payable to each of the Related Parties.

Accordingly, the Directors (excluding the Related Parties) have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the grants of the Related Performance Rights contemplated by Resolutions 7 to 11.

## 6.6 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 Related Party Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 11 seek the required Shareholder approval for the issue of the Related Party Performance Rights for the purposes of Listing Rule 10.14.

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

If Resolutions 7 to 11 are passed, the Company will be able to proceed with the issue of the Related Party Performance Rights to the Related Parties 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 is being obtained under Listing Rule 10.14, the issue of the Related Party Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 11 are not passed, the Company will not be able to proceed with the issue of the Related Party Performance Rights to the Related Parties under the Performance Rights Plan.

#### **6.8 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 Resolutions 7 to 11:

(a) the Related Party Performance Rights will be issued to the following persons:

- (i) Mr Andrew McKenzie (or his nominee) pursuant to Resolution 7;
- (ii) Mr Robert Black (or his nominee) pursuant to Resolution 8;
- (iii) Mr Richard Simpson (or his nominee) pursuant to Resolution 9;
- (iv) Mr Jay Hughes (or his nominee) pursuant to Resolution 10; and
- (v) Mr Ian Parker (or his nominee) pursuant to Resolution 11,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

(b) the maximum number of Related Party Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 15 comprising:

- (i) three (3) Performance Rights to Mr Andrew McKenzie (or his nominee) pursuant to Resolution 7;
- (ii) three (3) Performance Rights to Mr Robert Black (or his nominee) pursuant to Resolution 8;
- (iii) three (3) Performance Rights to Mr Richard Simpson (or his nominee) pursuant to Resolution 9;
- (iv) three (3) Performance Rights to Mr Jay Hughes (or his nominee) pursuant to Resolution 10; and
- (v) three (3) Performance Rights to Mr Ian Parker (or his nominee) pursuant to Resolution 11.

- (c) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) the Performance Rights Plan was last approved Shareholders at the Company's annual general meeting on 22 November 2019. A total of 33 Performance Rights have been issued to the following persons (being related parties of the Company) since approval of the Plan on 22 November 2019: Mr Andrew McKenzie, Mr Robert Black, Mr Anthony Brittain, Mr Greg Chessell, Mr Jay Hughes, Mr Russell Kane, Mr Simon Yeo and Mr Richard Simpson. The issue price for each Performance Right was nil in each case;
- (e) any full or part time employee or executive director of the Company is entitled to participate in the Performance Rights Plan;
- (f) no loan will be provided to the Related Parties with respect to the Related Party Performance Rights;
- (g) the Related Party Performance Rights will be issued to the Related Parties no later than 36 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;
- (h) the terms of the Related Party Performance Rights are in accordance with the Plan subject to the key terms and conditions of the Related Party Performance Rights summarised in Schedule 1;
- (i) theoretical examples of the value of the Related Party Performance Rights based on different variables for the Profit Share Bonus Payments and VWAP based on the actual Profit Share Bonus Payment for the previous financial year, being \$820,000, are set out in the table in Section 6.4;
- (j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options
Andrew McKenzie	13,390,097	Nil
Robert Black	5,262,362	Nil
Richard Simpson	2,537,181	Nil
Jay Hughes	13,866,467	Nil
Ian Parker	1,988,473	Nil

- (k) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year <sup>1</sup>	Previous Financial Year <sup>2</sup>
Andrew McKenzie	\$278,792.40	\$1,101,271.00
Robert Black	\$278,792.40	\$1,039,887.00
Richard Simpson	\$139,396.20	\$436,457.00
Jay Hughes	\$278,792.40	\$1,087,037.00
Ian Parker	\$77,350.00	\$1,343,789.00

**Notes:**

1. Including base salary and superannuation only. Bonuses, superannuation and other cash benefits have not been included as they cannot be determined at this time.
2. Including base salary, profit share, other cash benefits, superannuation and performance rights.

If the Related Party Performance Rights granted to the Related Parties were to vest and are exercised according to the maximum amount stated in the theoretical examples set out in Section 6.4 above to all five of the Directors on an equal basis, a total of 2,244,525 Shares would be issued. However, it is noted that the theoretical examples are based on the maximum individual actual Profit Share Bonus Payment received for the previous financial year and the Related Parties will not receive equal amounts under the Profit Share Bonus Pool in any Relevant Financial Year. There would be no increase to the number of Shares on issue as these Shares would be purchased on market;

- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$1.84	9 June 2022
Lowest	\$1.1975	23 September 2022
Last	\$1.285	7 October 2022

- (m) the primary purpose of the grant of the Related Party Performance Rights to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (n) Mr Andrew McKenzie declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of Resolution 7 on the basis that he (or his nominee) is to be granted Related Party Performance Rights should Resolution 7 be passed. However, in respect of Resolutions 8 to 11 Andrew McKenzie recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;

- (ii) the grant of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance Rights upon the terms proposed;
- (o) Mr Robert Black declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 8 be passed. However, in respect of Resolutions 7, 9, 10 and 11, Robert Black recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (p) Mr Richard Simpson declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 9 be passed. However, in respect of Resolutions 7, 8, 10 and 11, Richard Simpson recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (q) Mr Jay Hughes declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 10 be passed. However, in respect of Resolutions 7, 8, 9 and 11, Jay Hughes recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (r) Mr Ian Parker declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 9 be passed. However, in respect of Resolutions 7 to 10, Ian Parker recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (n);
- (s) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be granted as well as the milestones attaching to the Related Party Performance Rights and the expiry date of those Related Party Performance Rights;
- (t) details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14;



- (u) any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the Plan after Resolutions 7 to 11 are approved and who were not named in the Notice will not participate in the Plan until approval is obtained under ASX Listing Rule 10.14; and
- (v) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 to 11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties as approval is being obtained under ASX Listing Rule 10.15. Accordingly, the issue of Related Party Performance Rights to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **7. RESOLUTION 12 – ISSUE OF LONG TERM INCENTIVE PERFORMANCE RIGHTS TO MR ANDREW MCKENZIE (OR HIS NOMINEE)**

### **7.1 General**

The Company has agreed, subject to obtaining Shareholder approval of Resolution 6 and this Resolution 12, to grant three (3) long term incentive Performance Rights to Andrew McKenzie (or his nominee) pursuant to the Performance Rights Plan and on the terms and conditions set out below (**LTI Performance Rights**). Each of the LTI Performance Rights will be Discretionary Performance Rights, as defined in Section 5.1 above.

The purpose of the proposed issue is to provide long-term incentives to Mr McKenzie (and/or his nominee) on terms and conditions that are consistent with the strategic goals and targets of the Company and aligned with the interests of Shareholders. Unless and until the LTI Performance Rights vest, the LTI Performance Rights do not convey the full benefits of Share ownership (such as dividend and voting rights). The Company is of the view that the LTI Performance Rights will provide a means to further motivate and reward Mr McKenzie for achieving specified performance milestones and/or continuing his employment with the Company within a specified period. The LTI Performance Rights differ from the other Performance Rights in that they provide a true long term incentives to Mr McKenzie in contrast to the Performance Rights which require Mr McKenzie to sacrifice a portion of any bonus to be paid in equity.

### **7.2 Overview of the LTI Performance Rights**

- (a) It is proposed that, subject to Resolution 6 and this Resolution 12 being approved by Shareholders, Mr McKenzie (or his nominee) will be granted the following LTI Performance Rights:
  - (i) one (1) LTI Performance Right in or around May 2023 which relates to the performance during the financial year ending 30 June 2023;
  - (ii) one (1) LTI Performance Right in or around May 2024 which relates to the performance during the financial year ending 30 June 2024; and
  - (iii) one (1) LTI Performance Right in or around May 2025 which relates to the performance during the financial year ending 30 June 2025.

- (b) If a LTI Performance Right vests, a vesting notice will be given by the Company to the holder of the LTI Performance Right.
- (c) Upon vesting, a LTI Performance Right will automatically be exercised and Mr McKenzie (or his nominee) will be issued/transferred a number of Shares (**LTI Shares**). The number of LTI Shares that Mr McKenzie (or his nominee) will receive will be determined by the Company's Remuneration Committee (excluding Mr McKenzie) in its absolute discretion having regard to Mr McKenzie's performance over the relevant performance period and the profitability of the Group during that period. Under ASX Listing Rule 10.16(b), Shareholder approval is not required for the grant of rights to acquire securities to a director or their associates under an employee equity incentive scheme, where the securities to be acquired in satisfaction of the rights are required to be purchased by or on behalf of directors or their associates on-market. Whilst it is the Board's intention that any LTI Shares that may be awarded to Mr McKenzie will be purchased on-market which would minimise dilution to Shareholders, the Board considers it appropriate that Shareholder approval be sought for the issue of the LTI Performance Rights. Where a sufficient number of Shares are unable to be purchased on-market to satisfy the vesting of the LTI Performance Rights into LTI Shares, then the Board may consider the issue of new Shares to Mr McKenzie subject to Shareholder approval of Resolution 6 and this Resolution 12. The Board notes that since the inception of the Performance Rights Plan in 2014, no new Shares have been issued to satisfy awards to any employee or director.
- (d) Any LTI Shares issued or transferred to Mr McKenzie (or his nominee) will be subject to a 3 year service-related vesting condition. Accordingly, vesting of the relevant LTI Shares will occur on the 3 year anniversary of the issue/transfer of the LTI Shares to Mr McKenzie (or his nominee) unless he dies or suffers a total and permanent disability (**LTI Service Condition**). A vesting notice will be issued to Mr McKenzie (or his nominee) to confirm the vesting outcome.
- (e) LTI Shares will be forfeited where the LTI Service Condition is not met. Note that the Company may require that any LTI Shares issued or transferred to Mr McKenzie (or his nominee) may be held via the Euroz Hartleys Employee Share Trust for ease of administration. Mr McKenzie (or his nominee) will be entitled to any dividends while he holds the LTI Shares (whether directly held or through the Euroz Hartleys Employee Share Trust).
- (f) Unvested and vested LTI Shares will remain subject to a disposal restriction. The disposal restriction will lift at the earlier of the 14th anniversary plus one (1) day of the issue/transfer of the LTI Shares in respect of the LTI Performance Right or cessation of employment (under circumstances where Shares are not forfeited) (**Disposal Restriction**).
- (g) Provided the employee has continued employment, the Disposal Restriction is lifted.

### 7.3 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.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

The grant of the LTI Performance Rights to Mr Andrew McKenzie constitutes giving a financial benefit and Andrew McKenzie is a related party of the Company by virtue of being a Director.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

The Directors (excluding Mr Andrew McKenzie) have formed the view that the proposed grant of the LTI Performance Rights to Mr Andrew McKenzie (and/or his nominee(s)) (as contemplated in Resolution 12) falls within the Reasonable Remuneration Exemption given the circumstances of the Company and the position held by Mr Andrew McKenzie.

Accordingly, the Directors (excluding Mr Andrew McKenzie) have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the grants of the LTI Performance Rights contemplated by Resolution 12.

#### **7.4 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 the LTI Performance Rights fall within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 12 seeks the required Shareholder approval for the issue of the LTI Performance Rights for the purposes of Listing Rule 10.14.

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

If Resolution 12 is passed, the Company will be able to proceed with the issue of LTI Performance Rights to Mr Andrew McKenzie (or his nominee) 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 LTI Performance Rights (because approval is being obtained under Listing Rule

10.14), the issue of the LTI Performance Rights or any resulting LTI Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 12 is not passed, the Company will not be able to proceed with the issue of the LTI Performance Rights to Mr McKenzie (or his nominee) under the Performance Rights Plan.

## **7.6 Technical information required by Listing Rule 10.15**

Pursuant to and in accordance with the requirements of Listing Rule 10.15, in addition to the information set out above, the following information is provided for the purposes of Resolution 12:

- (a) Resolution 12 seeks Shareholder approval for the issue of three (3) LTI Performance Rights to Mr Andrew McKenzie (or his nominee);
- (b) Mr Andrew McKenzie is a Director of the Company and therefore falls within Listing Rule 10.14.1;
- (c) the LTI Performance Rights will be granted for nil cash consideration. No exercise price will apply to the LTI Performance Rights;
- (d) details of Mr McKenzie's current total remuneration package are set out above in section 6.8(k);
- (e) the Performance Rights Plan was adopted by Shareholders at the Company's annual general meeting on 22 November 2019 and has been put to Shareholders again in Resolution 6 of this Annual General Meeting. A total of 11 Performance Rights have been previously issued Mr Andrew McKenzie under the Plan. The issue price for each of those Performance Rights was nil;
- (f) a summary of the material terms of the LTI Performance Rights is set out above in section 7.2;
- (g) the Board considers that LTI Performance Rights are an appropriate form of incentive on the basis that:
  - (i) the LTI Performance Rights retain and reward Mr McKenzie for the achievement of long-term business objectives as set by the Board and are designed to align with the interests of Shareholders. The remuneration committee (excluding Mr McKenzie) will undertake an assessment and recommend to the Board the number of LTI Shares to be issued or transferred to Mr McKenzie based on his specific performance and contribution to the achievement of the strategic, corporate and financial objectives of the Board for the relevant performance period;
  - (ii) Mr McKenzie will only obtain the value of the LTI Performance Rights and the resulting LTI Shares following satisfaction of the LTI Service Condition;
  - (iii) the disposal restrictions applicable to Vested LTI Performance Rights will further align Mr McKenzie's interests with that of shareholders; and

- (iv) each LTI Performance Right is likely to be highly valued by Mr McKenzie (and therefore retentive and incentivising) and is designed to attract, retain and reward quality executives for successfully delivering long objectives of the Company.
- (h) the value of the LTI Performance Rights proposed to be issued to Mr McKenzie will ultimately depend on the value of the resulting LTI Shares (if any) that will be delivered following vesting and exercise of those LTI Performance Rights.

For example, if the Board determines in its absolute discretion, having regard to Mr McKenzie's performance over the relevant performance period and the profitability of the Group during that period, to deliver 10,000 LTI Shares in respect of the vesting and exercise of a LTI Performance Right and the Share price at the relevant time is \$2.50, then that LTI Performance Right will have a value of approximately \$25,000.

The table below sets out further theoretical examples based on different variables for the number of LTI Shares to be delivered and Share price at the relevant time.

		Number of LTI Shares that the Board determines to deliver in respect of the vesting and exercise of a LTI Performance Right			
			10,000	15,000	20,000
Share price at the relevant time	\$1.50	Dollar Value	\$15,000	\$22,500	\$30,000
	\$2.00	Dollar Value	\$20,000	\$30,000	\$40,000
	\$3.00	Dollar Value	\$30,000	\$45,000	\$60,000

- (i) it is intended that the LTI Performance Rights will be issued to Mr McKenzie (or his nominee) on or around the dates described in section 7.2(a) above and in any event no later than 36 months after the date of the Meeting (or such later date as permitted by any waiver or modification of the Listing Rules);
- (j) a summary of the material terms of the Performance Rights Plan is set out in Schedule 1;
- (k) no loan will be provided to Mr McKenzie (or his nominee) with respect to the LTI Performance Rights;
- (l) details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14; and
- (m) any additional persons referred to in ASX Listing Rule 10.14 who become entitled to participate in the Plan after Resolution 12 is approved and who were not named in the Notice will not participate in the Plan until approval is obtained under ASX Listing Rule 10.14.

## 7.7 Board recommendation

The Board (other than Mr McKenzie given his interest in the outcome of Resolution 12) recommends that Shareholders vote in favour of Resolution 12.

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## 8. RESOLUTION 13 – APPROVAL FOR AN EQUAL CAPITAL REDUCTION AND CANCELLATION OF SHARES

### 8.1 Background

On 23 December 2021, WAM Capital Limited (**WAM**) (ASX: WAM) announced that it had entered into a scheme implementation agreement with Westoz Investment Company Limited (**Westoz**) (ASX: WIC), in relation to the acquisition by WAM of all of the shares in the capital of Westoz by way of a scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (**Westoz Scheme**), subject to the satisfaction of certain conditions. On the same day, WAM announced a similar transaction involving Ozgrowth Limited (**Ozgrowth**) (ASX:OZG) (**Ozgrowth Scheme**) (together, the **Schemes**).

The Company has invested approximately \$66.8 million into Westoz and Ozgrowth. The Company held 35,220,541 ordinary shares in Westoz, comprising approximately 26.346% in Westoz and held 145,713,502 ordinary shares in Ozgrowth, comprising approximately 41.578% in Ozgrowth. In addition, the investment portfolios of Westoz and Ozgrowth were managed by Westoz Funds Management Pty Ltd (AFSL 285607), a 100% owned subsidiary of the Company.

The Schemes completed on 21 April 2022. Under the Schemes, Westoz and Ozgrowth shareholders received new WAM shares as consideration for their Westoz and Ozgrowth shares. The number of WAM shares received was determined by a formula based on the ratio of the share price of WAM to the net tangible assets of Westoz and Ozgrowth before tax.

As a result of the Schemes, the Company received approximately 49.95 million newly issued fully paid ordinary shares in WAM (**WAM Shares**). As announced to ASX on 19 May 2022, the Company completed the sale of the WAM Shares on market and received cash consideration of approximately \$103.9 million.

### 8.2 Capital Reduction - Overview

Following the completion of the sale of WAM Shares, the Company reported solid profitability for the financial year ended 30 June 2022.

On 14 September, the Company announced a special dividend to Shareholders of 20.27 cents per Share, fully franked (**Special Dividend**). The Special Dividend had a record date of 21 September 2022 and was paid to Shareholders on the payment date of 7 October 2022.

The Company is now seeking to make a return of capital to its Shareholders by way of an equal capital reduction (**Capital Reduction**), with an associated cancellation of Shares (**Share Cancellation**)

A capital reduction is a reduction of a company's share capital by returning part of the share capital to its shareholders. The Capital Reduction will be effected in accordance with sections 256B and 256C of the Corporations Act. The Corporations Act requires the Company to obtain the approval of Shareholders by ordinary resolution for an equal capital reduction of its share capital.

The Board estimates that the total amount of the proposed Capital Reduction will be approximately \$40 million.

The Company is seeking Shareholder approval for:

- (a) the Capital Reduction which will return to Shareholders an amount of \$0.20274 per Share, equivalent to approximately \$40 million in aggregate; and
- (b) the Share Cancellation equal to the amount of the Capital Reduction.

The Capital Reduction is expected to be made to all Shareholders pro rata to the number of Shares which they hold as at 5:00 pm (WST) on Friday, 25 November 2022 (the **Record Date**) (**Eligible Shareholders**).

If the Capital Reduction is approved by Shareholders, Eligible Shareholders will receive a cash payment of \$0.20274 per Share with a corresponding equivalent value of Shares to be subject to the Share Cancellation.

Following the Capital Reduction, it is estimated that the Company will have net cash reserves of approximately \$78 million and approximately 166,168,662 Shares on issue (post the Share Cancellation and assuming a 4-day VWAP up to and including the last day of trading on a 'cum reduction of Capital Reduction' basis prior to the Record Date, of \$1.285).

### 8.3 Eligible Shareholders

Only Shareholders recorded on the Company's Register on the Record Date are eligible to participate in the Capital Reduction. In accordance with the ASX Listing Rules, the Company has set the Record Date to be 5:00pm (WST) on Friday, 25 November 2022.

The number of Shares to be cancelled for each Shareholder in relation to the Share Cancellation will be based on the pro rata amount of the Capital Reduction divided by the 4-day VWAP up to and including the last day of trading on a 'cum reduction of Capital Reduction' basis prior to the Record Date, rounded down to the nearest whole Share, as further detailed in the indicative timetable in Section 8.5 below.

Shareholders should be aware that trades on the ASX settle on a T+2 basis, meaning that, for a buyer of Shares to be registered as a Shareholder of those Shares on the Record Date, the trade must occur on or before Wednesday, 23 November 2022, being 2 Business Days before the Record Date (i.e. the last day for trading on a 'cum Capital Reduction' basis).

### 8.4 Payment in respect of the Capital Reduction

It is expected that cash payment in respect of the Capital Reduction will be made by the Company on Friday, 2 December 2022 (**Payment Date**).

The payment will be paid to Eligible Shareholders by electronic transfer only. It is expected that Shareholders will receive the payment within 1-3 Business Days of the Payment Date. Any fraction of a cent payable to any Shareholder in respect of that Shareholder's aggregate holding of Shares will be rounded down to the nearest whole cent.

Shareholders can register or update their bank account information with the Share Registry before the Record Date.

## 8.5 Indicative Timetable

The Company has lodged with ASIC a copy of this Notice of Meeting and the Explanatory Statement in accordance with section 256C of the Corporations Act.

If Resolution 13 is passed, the Capital Reduction and Share Cancellation will take effect in accordance with the timetable as follows\*:

<b>Event</b>	<b>Date</b>
Annual General Meeting	Thursday, 17 November 2022
<b>If the Capital Reduction is approved by Shareholders at the Annual General Meeting</b>	
Announcement of results of voting	Following the Annual General Meeting
Announcement of Effective Date for Capital Reduction	Friday, 18 November 2022
Effective Date for Capital Reduction	Tuesday, 22 November 2022
Last day of trading on a 'cum Capital Reduction' basis	Wednesday, 23 November 2022
Company enters a trading halt	(pre-market open) Thursday 24 November 2022
Record Date for Capital Reduction Company sets price per Share for Share Cancellation (based on 4-day VWAP of Euroz Shares on ASX up to and including the last day of trading on a 'cum Capital Reduction' basis) <sup>1</sup>	Friday, 25 November 2022
Share Cancellation date	Monday, 28 November 2022
Company's Shares recommence trading on ASX	Tuesday, 29 November 2022
Payment Date in respect of the Capital Reduction	Friday, 2 December 2022

\* Note that the timetable is indicative and is subject to change to extent permitted under law and the ASX Listing Rules.

## 8.6 Advantages and Disadvantages of the Capital Reduction

### (a) Advantages

- (i) Shareholders will receive a direct benefit from the Capital Reduction through a cash payment from the Company in respect of Shares held on the Record Date;

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<sup>1</sup> The 4 trading days being 18 November 2022 – 23 November 2022 inclusive



- (ii) the Capital Reduction represents part of the capital previously invested by the Company in Westoz and Ozgrowth;
  - (iii) the Capital Reduction will enable the Company to return capital to its Shareholders, which is in excess of its current capital requirements; and
  - (iv) the Capital Reduction will have an associated Share Cancellation which will be value accretive.
- (b) **Disadvantages**
- (i) Shareholders may consider the Company should retain more cash for its operations; and
  - (ii) the Company will have a reduced capital base from which to operate.

However, the Directors are of the opinion that the Company will have sufficient cash reserves and the capital base is currently in excess of the Company's requirements. The net cash reserves following the Capital Reduction of approximately \$78 million is expected to be sufficient to support the Company's operations.

## 8.7 Equal Capital Reduction

The proposed Capital Reduction is an "equal capital reduction" in accordance with section 256B(2) of the Corporations Act as:

- (a) it relates only to ordinary shares in the capital of the Company;
- (b) it applies to each holder of ordinary shares in the same proportion to the number of ordinary shares that they hold in the Company; and
- (c) the terms of the reduction are the same for each holder of ordinary shares in the Company.

Under section 256C of the Corporations Act, the Capital Reduction must be approved by an ordinary resolution passed at a general meeting of the Company. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the resolution.

## 8.8 Section 256B of the Corporations Act

Under section 256B of the Corporations Act, the Company must not effect a reduction of capital unless it:

- (a) is fair and reasonable to the shareholders as a whole;
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by shareholders.

The Directors believe that the proposed Capital Reduction is fair and reasonable to Shareholders as a whole because the proposed Capital Reduction will apply to all Shareholders on the Record Date equally, in proportion to the number of

Shares they hold as at that date. The Directors are of the opinion that the proposed Capital Reduction will not materially prejudice the Company's ability to pay its creditors as the Directors have also satisfied themselves as to the solvency of the Company following the proposed Capital Reduction.

## 8.9 Effect of the Capital Reduction

### (a) Effect on Financial Position

The Company's cash reserves will be reduced by the total amount to be paid in respect of the Capital Reduction.

If the Capital Reduction is approved by the Shareholders, the Company's cash reserves will be approximately \$78 million after the payment, which the Company expects will be sufficient to fund its ongoing operations and pay its creditors.

The impact of the Capital Reduction on the Company's key financial measures is expected to be as follows:

Estimated effect on	total	If the Capital Reduction is approved (\$)	If the Capital Reduction is not approved
Total Assets		Reduced by 40,000,000	No impact
Annual Revenue		No impact	No impact
Profit / Loss		No impact	No impact
Total equity interests		Reduced by 40,000,000	No impact

### (b) Effect on Capital Structure

The Company has 197,297,073 Shares on issue as at the date of this Notice of Meeting.

If the Capital Reduction proceeds, for the purposes of ASX Listing Rule 7.20:

- (i) the Company's issued share capital is estimated to be reduced by \$0.20274 per Share, which amounts to approximately \$40 million;
- (ii) the Capital Reduction will have an associated Share Cancellation and it is expected that approximately 31.1 million Shares will be cancelled, rounded down to the nearest whole Share (assuming a 4-day VWAP up to and including the last day of trading on a 'cum reduction of Capital Reduction' basis prior to the Record Date, of \$1.285); and
- (iii) no fractional entitlements will arise in connection with the Capital Reduction.

The Company has no Options or other convertible securities on issue in respect of the Capital Reduction.

The overall effect of the Capital Reduction and associated Share Cancellation is as follows:

<b>Shares</b>	<b>Number</b>
Ordinary Shares currently on issue	197,297,073
Approximate number to be cancelled as a result of the Share Cancellation (assuming a 4-day VWAP up to and including the last day of trading on a 'cum reduction of Capital Reduction' basis prior to the Record Date, of \$1.285)	31,128,411
<b>Estimated Shares on issue on completion of the Capital Reduction</b>	166,168,662

The Shares the subject of the Capital Reduction (based on the assumptions set out in the above table) represent approximately 15.8% of the issued capital of the Company (on an undiluted basis) as at the date of this Notice.

(c) **Effect on Control**

The Capital Reduction will not have any impact on control of the Company as the Capital Reduction and Share Cancellation will be undertaken on a pro-rata basis, such that it applies to each Shareholder in the same proportion to the number of Shares that they hold in the Company.

(d) **Effect on Share Price**

The Capital Reduction is not expected to have an effect on the Company's Share price given the proposed Share Cancellation.

(e) **Effect on Performance Rights**

As at the date of this Notice of Meeting, the Company has nil Performance Rights on issue. Subject to shareholder approval the subject of this Notice, a further 12 Performance Rights will be issued to the Directors.

The Capital Reduction will not have any effect on the vesting of the Performance Rights or the issue or transfer of Shares upon the vesting of Performance Rights.

(f) **Effect on the Company's ability to pay its creditors**

The Company has assessed the impact of the Capital Reduction on the Company's ability to pay its creditors, including current and reasonably foreseeable future claimants and the review concluded that the payment to Shareholders in respect of the Capital Reduction would not materially prejudice the Company's ability to pay its creditors and the Company will have sufficient cash reserves to pay its creditors (including current and reasonably foreseeable claimants) following the Capital Reduction.

(g) **Tax Implications for the Company**

No adverse tax consequences are expected to arise for the Company from implementing the proposed Capital Reduction and Share Cancellation.

## 8.10 Australian Tax Implications for Shareholders

The summary in this section is necessarily general in nature. Shareholders should obtain, and rely upon, their own independent taxation advice about the consequences of the Capital Reduction and associated Share Cancellation having regard to their own specific circumstances.

The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their shares on capital account.

This summary does not consider the tax consequences for Shareholders who:

- (a) hold their Shares on revenue account;
- (b) carry on a business of trading in shares;
- (c) are exempt from Australian tax;
- (d) hold their Shares under Division 83A of the Income Tax Assessment Act 1997; or
- (e) are subject to Division 230 of the Income Tax Assessment Act 1997 (the Taxation of Financial Arrangements or "TOFA" regime) and have made fair value or reliance on financial reports elections.

This summary is based on the Australian tax law, and our understanding of the practice of the tax authorities, at the time of issue of this Notice of Meeting. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. It does not take into account the tax law of countries other than Australia.

Neither the Company nor any of its officers, employees or advisers assumes any liability or responsibility for advising Shareholders about the tax consequences for them from the proposed Capital Reduction and Share Cancellation.

### 8.10.2 Capital Reduction and associated Share Cancellation

The Company has applied to the Australian Taxation Office (**ATO**) for a Class Ruling to confirm the Australian income tax consequences of the Capital Reduction and associated Share Cancellation for the Company's Shareholders. The following section contains a general description of the Australian tax consequences that arise for Shareholders as a result of the Capital Reduction and associated Share Cancellation if the Class Ruling is issued in accordance with the Company's application.

Subject to receiving the Class Ruling, for Shareholders who are resident of Australia for Australian tax purposes, the taxation consequences for the Company's Shareholders are described in section below:

- (a) no part of the Capital Reduction proceeds will be treated as a dividend for income tax purposes;
- (b) if the Capital Gains Tax (**CGT**) cost base of a Share is less than the Capital Reduction proceeds (on a cents per share basis), a capital gain will arise for the difference;

- (c) if the CGT reduced cost base of a Share is more than the Capital Reduction proceeds (on a cents per Share basis), a capital loss will arise for the difference;
- (d) A net capital gain arises where a Shareholder's capital gains for a year exceed their capital losses for that year, plus any unused capital losses from prior years. Any net capital gain will be included in the Shareholder's assessable income; and
- (e) A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, the Shares have been held for more than 12 months (not including the date of acquisition nor the date of disposal) and certain other requirements have been met. Where the CGT discount applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half. For a complying superannuation entity, any net capital gain may be reduced by one-third.

For Shareholders who are not resident for Australian tax purposes, no Australian capital gain or loss should arise as a consequence of the Capital Reduction and associated Share Cancellation, on the basis the Shares do not constitute "indirect Australian real property interests" for Australian CGT purposes. Even if the Shares constituted indirect Australian real property interests, no Australian capital gain or loss should arise for those non resident Shareholders that held less than 10% of the total issued equity of Euroz as at the date of the payment for the Capital Reduction.

Non-resident shareholders should seek advice in relation to the specific tax consequences arising from the Capital Reduction and associated Share Cancellation under the laws of their country of residence.

The draft Class Ruling may not be relied on by the Shareholders until it is issued in final form by the ATO.

The final version of the Class Ruling will be published and notice will be included in the Government Notices Gazette. The Company will display the final version of the Class Ruling on its website when it becomes available. The Company also intends to release an announcement to the ASX confirming that the Class Ruling has been issued by the ATO. Shareholders will not receive any additional direct notification via post and so should monitor the Company's website ([www.euroz.com](http://www.euroz.com)). Shareholders registered to receive the Company's updates by email should receive notification at the time of the lodgement of an ASX announcement.

The Company anticipates the class ruling to be issued by the ATO after the payment in respect of the Capital Reduction.

## **8.11 No other Material Information**

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 13 being information that is known to any of the Directors, and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

If Resolution 13 is passed, the Company will not make the Capital Reduction until at least 14 days after lodgement of an ASIC Form 2205 – Notification of resolutions regarding shares, in accordance with ASIC's prescribed timeline for the Capital Reduction.

### 8.12 Directors' Interests

All of the Directors of the Company hold Shares and accordingly, will be taking part in the Capital Reduction. No Director will receive any payment or benefit of any kind as a consequence of the Capital Reduction, other than as a Shareholder.

Section 215 of the Corporations Act provides an exception from the requirement to obtain shareholder approval under section 208 of the Corporations Act, where the financial benefit is given to the related party in their capacity as a member of the public company and giving the benefit does not discriminate unfairly against the other shareholders of the public company.

The table below sets out the interests of the Directors (held directly or indirectly) in the Company as at the date of this Notice of Meeting.

Director	Number of Ordinary Shares held
Andrew McKenzie	13,390,097
Robert Black	5,262,362
Ian Parker	1,988,473
Richard Simpson	2,537,181
Jay Hughes	13,866,467
Robin Romero	52,575
Fiona Kalaf	31,645

### 8.13 Directors' Recommendations

The Directors are of the opinion that the proposed Capital Reduction is fair and reasonable to all Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 13 to approve the Capital Reduction.

Each Director intends to vote all Shares held or controlled by that Director in favour of the proposed Capital Reduction.

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## 9. RESOLUTION 14 – REPLACEMENT OF CONSTITUTION

Resolution 14 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 25 November 2008

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9488 1400). Shareholders are invited to contact the Company if they have any queries or concerns.

## **9.1 Summary of material proposed changes**

### **Minimum Securityholding (clause 3)**

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

### **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

### **Joint Holders (clause 9.8)**

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

### **Capital Reductions (clause 10.2)**

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

### **Direct Voting (clause 13, specifically clauses 13.35 – 13.40)**

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the

poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

#### **Use of technology (clause 14)**

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

#### **Dividends (clause 23)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

#### **Partial (proportional) takeover provisions (new clause 37)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.



## Information required by section 648G of the Corporations Act

### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### *Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and

- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

*Recommendation of the Board*

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 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.

**ASIC** means the Australian Securities & Investments Commission.

**Associated Body Corporate** means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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

**ATO** means the Australian Taxation Office.

**ATO Class Ruling** means a class ruling from the ATO to confirm that, among other things no part of the Capital Reduction will be assessable as a dividend for Australian taxpayers.

**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.

**Capital Reduction** means the equal reduction of capital and return to Shareholders of up to \$0.20274 per Share in accordance with section 256C of the Corporations Act, the subject of Resolution 13.

**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** or **Euroz** means Euroz Hartleys Group 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.

**Eligible Participant** has the meaning given to that term in Schedule 1.

**Eligible Shareholders** means the shareholders recorded on the Company's Register on the Record Date in relation to the Capital Reduction.

**Euroz Group** means the Company, Euroz Hartleys and any other subsidiary of the Company from time to time.

**Euroz Hartleys** means Euroz Hartleys Limited (ACN 104 195 057).

**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.

**Option** means an option to acquire a Share.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Payment Date** means an expected date of Friday, 2 December 2022.

**Performance Right** means a right to acquire a specified or unspecified number of Shares, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide those Share(s).

**Performance Rights Plan** or **Plan** means the performance rights plan proposed to be adopted by the Company subject to the approval of Shareholders under Resolution 6 as summarised in Schedule 1.

**Profit Share Bonus Pool** means a share of the pre-tax profit of Euroz that is distributed amongst those eligible to receive Profit Share Bonus Payments.

**Profit Share Bonus Payment** has the meaning given in Section 6.2.

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

**Record Date** means 5:00pm (WST) on Wednesday, 23 November 2022.

**Register** means the register of Shareholders maintained by the Company in accordance with the Corporations Act.

**Related Parties** means the parties that are set out in Section 6.1.

**Related Party Performance Right** means a Performance Right granted pursuant to Resolutions 7 to 11 with the terms and conditions set out in Schedule 1.

**Relevant Financial Year** has the meaning given in Section 6.4.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2022.

**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.

**Share Cancellation** means the cancellation of up to \$40 million worth of Shares following the Capital Reduction, which is more fully described in Resolution 13.

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

**Special Dividend** means the fully franked dividend of \$0.2027 per Share, announced by the Company on 14 September 2020 and paid to Shareholders on 7 October 2022.

**VWAP** means Volume Weighted Average Price of the Company's Shares as traded on ASX.

**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 Plan to be approved by Shareholders pursuant to Resolution 6.

- (a) **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**).
- (b) **Purpose of the Plan:** The purpose of the Plan is to:
  - (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to shareholder value creation;
  - (iii) align the interests of Eligible Participants with shareholders by providing an opportunity for them to receive an equity interest in the Company in the form of rights to shares (**Performance Rights**); and
  - (iv) enable the Company to defer a portion of Eligible Participants' Profit Share Bonus Payments into equity.
- (c) **Offer of Performance Rights:** Performance Rights may be granted under the Plan to Eligible Participants from time to time in the absolute discretion of the Directors.
- (d) **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 Right will, upon vesting, entitle the holder to:
  - (i) a specified number of Shares (**Standard Performance Right**);
  - (ii) a specified number of Shares calculated in accordance with a formula as specified in the offer (**Formulaic Performance Right**); or
  - (iii) a number of Shares to be determined by the Board in its absolute discretion (**Discretionary Performance Right**).
- (e) **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.
- (f) **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.
- (g) **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.
- (h) **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:
  - (i) a failure to meet the vesting conditions;

- (ii) a purported transfer of the Performance Rights without the Board's consent;
- (iii) the Eligible Participant ceasing his or her employment or employment relationship with the Euroz Group; or
- (iv) 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.

- (i) **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 Euroz Hartleys Employee Share Trust as set out in (m) will become the legal and beneficial owner of the Shares.
- (j) **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.
- (k) **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.
- (l) **Transfer of Rights:** A Performance Right is not transferable without the consent of the Board.
- (m) **Employee Share Trust:** The Plan may be operated through an employee share trust structure. Under the trust, on vesting and exercise of any Performance Rights the resultant Shares may be held via the trust where the trustee will be the legal owner of the share and the employee the beneficial owner.
- (n) **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.

- (o) **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.

- (p) **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.



## 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 **1:30pm (AWST) on Tuesday, 15 November 2022.**

# 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/au](http://www.investorcentre.com/au) and select "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: 181452**

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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**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 Hartleys Group 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 Hartleys Group Limited to be held at Level 18, Alluvion, 58 Mounts Bay Road, Perth, WA 6000 on Thursday, 17 November 2022 at 1:30pm (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, 6, 7, 8, 9, 10, 11 and 12 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6, 7, 8, 9, 10, 11 and 12 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, 6, 7, 8, 9, 10, 11 and 12 by marking the appropriate box in step 2.

## Step 2 Items 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			For	Against	Abstain
1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Issue of Performance Rights to Director - Mr Jay Hughes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Director - Fiona Kalaf	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Issue of Performance Rights to Director - Mr Ian Parker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Director - Robert Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Issue of Long Term Incentive Performance Rights to Director - Mr Andrew McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-election of Director - Ian Parker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Approval for an Equal Reduction of Capital and Cancellation of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Re-election of Director - Richard Simpson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Issue of Performance Rights to Director - Mr Andrew McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Issue of Performance Rights to Director - Mr Robert Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Issue of Performance Rights to 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

