
EUROZ LIMITED

ACN 000 364 465

NOTICE OF GENERAL MEETING

TIME: 1.30pm (WST)

DATE: Friday 21 February 2014

PLACE: Level 18, Alluvion, 58 Mounts Bay Road, Perth WA 6000

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.

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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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 1.30pm (WST) on Friday the 21st of February 2014 at:

Level 18, Alluvion, 58 Mounts Bay Road, Perth WA 6000

Your vote is important

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

Voting eligibility

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 Wednesday, 19th of February 2014.

Voting in person

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

Voting by proxy

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 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with Section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean 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.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

CHAIRMAN'S LETTER

17 January 2014

Dear Shareholders

Our success 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 employee's ability to generate revenue and returns for our shareholders. With this objective in mind, as foreshadowed in our 2013 Annual Report, we have undertaken a review and update of our 13 year old remuneration policies and practices, with the view to ensuring they are fit for purpose in a highly competitive employment market.

As part of the review, the Board engaged external executive remuneration experts, Sherwood Love and Associates who have significant international and Australian experience in the financial services sector.

The Board's brief to our consultants was to prepare a remuneration policy, which is designed to assist us to retain and reward employee performance in a highly competitive industry. We also advised that the policy must, wherever practically possible, be consistent with regulatory guidelines, sensitive to the positions adopted by shareholder advisory groups and take into account the need to offer long-term sustainable returns to our shareholders. Above all, these objectives must be achieved within the context of our business, our position in the industry and our governance structure.

You may be aware that Euroz Limited (**Euroz**) does not pay any form of remuneration to any Directors or employees either in the form of salary and wages or Directors Fees. All of our Directors and employees are remunerated directly for their full-time executive activities from either Euroz Securities Limited (**Euroz Securities**) or Westoz Funds Management Pty Ltd (**Westoz**).

For the past 13 years, the cornerstone of our previous remuneration system has been a transparent and fixed bonus pool of 30% of pre-tax profits in Euroz Securities only. We continue to believe that a bonus system based on profits (rather than revenue) better aligns our employee performance with shareholder interests.

We have also always had the view that it is critical that our key employees also own meaningful equity in Euroz shares to further strengthen this connection and balance between employee performance and shareholder returns.

In the more challenging markets of the past few years, our staff have logically been paid lower bonuses and have subsequently found it increasingly difficult to purchase new equity in Euroz. Many of our competitors pay bonuses based on a "bottom up" system irrespective of profitability. At the same time, our competitors are offering extremely attractive remuneration packages to many of our key staff.

We have spent considerable time in looking to restructure this outdated legacy remuneration system in a way that continues to attract and retain key employees but also increases their exposure to Euroz shares. This has included various discussions with a variety of external remuneration consultants.

The key element that brings together these aims is the establishment of the Euroz Limited Performance Rights Plan (**Plan**). This is a tax effective structure that allows the Company to convert a portion of an employee's pre-tax dollar bonus into Euroz shares (**Shares**).

The major change for which we require Shareholder approval is our intention to increase the quantum of the profit pool from 30% to 40% of pre-tax profits in Euroz Securities only, but that ALL of the increase will be used to purchase Shares. We will establish the Euroz Limited Performance Rights Trust (the **Euroz Employee Share Trust**) to hold the Shares from within the Plan on behalf of the employees.

Whilst we would have the flexibility to issue new equity if required the absolute intention of the Plan is for the Euroz Employee Share Trust to buy these Shares on market over the course of a particular financial year in proportion with the ongoing profitability of Euroz Securities.

Following each individual year of employment these Shares would only vest to the employee after another three years of subsequent service (subject to death or total and permanent disability) thereby adding a significant incentive to staff to remain employed at Euroz over the medium to long term. Further it is our intention for these Shares to remain in the Euroz Employee Share Trust subject to further disposal restrictions under our internal securities trading policy ending at the earlier of an additional 3 years of service or cessation of employment (under circumstances where Shares are not forfeited).

The Board believes that this unique structure will provide a balance between shareholders' interests and rewarding and retaining the lifeblood of our business – our staff.

We are confident that the effect of the increase in the profit share bonus pool will be more than offset by improvements in staff retention, employee performance and share ownership resulting in an overall increase in group profitability.

Specifically, we are now seeking your approval for a number of resolutions.

The first resolutions (Resolutions One and Two) deal with the proposal to increase the Profit Share Bonus Pool from 30% to 40% and the determination that this remuneration is "reasonable". All of this increase will be converted into Shares in Euroz that will only vest to the employee after 3 years subsequent service following the individual's initial year of performance assessment. This initiative is supported by the development of the Euroz Limited Remuneration Policy (**Policy**). This Policy is a high level principles based document, which provides a framework for remuneration planning and decisions.

The second series of resolutions (Resolutions Three to Nine) deal with the approval of the terms of the Plan and the issue of Performance Rights to our Directors. The Performance Rights will convert into the Shares based on each Director's allocation of the profit pool. The Plan also provides the Board with authority for granting Performance Rights to employees of the Company on an operational basis. The Plan introduces for the first time the deferral of part of the remuneration of eligible employees.

We have also enclosed a copy of the Remuneration Report from Sherwood Love and Associates at Schedule 2 of this Notice. This Report states "We are of the view that the Company is moving in the right direction with its approach to remuneration. In the current highly competitive environment and given the introduction of an element of deferral in remuneration, the proposed 40% is in our view reasonable."

We look forward to your support for these important remuneration changes at the EGM on 21 February 2014.

Yours sincerely



Andrew McKenzie
Executive Chairman

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – INCREASE IN PROFIT SHARE BONUS POOL

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

“That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to increase the Profit Share Bonus Pool from 30% to 40% of Euroz Securities’ pre-tax profit on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

2. RESOLUTION 2 – REASONABLE REMUNERATION

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

“That, subject to the passing of Resolution 1, for the purposes of section 195(4) of the Corporations Act and for all other purposes, it is resolved that the Reasonable Remuneration Exception provided by Section 211 of the Corporations Act applies to the benefit to be provided under Resolution 1 as set out in the Explanatory Statement.”

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

3. RESOLUTION 3 – ADOPTION 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 purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt and maintain a performance rights plan (**Plan**) on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

4. RESOLUTION 4 – ISSUE OF PERFORMANCE RIGHTS TO ANDREW MCKENZIE

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

“That, subject to passing Resolution 3, and for the purposes of ASX Listing Rule 10.14, sections 195(4), 211 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4 Performance Rights to Mr Andrew McKenzie (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

5. RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO JAY HUGHES

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

“That, subject to passing Resolution 3, and for the purposes of ASX Listing Rule 10.14, sections 195(4), 211 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4 Performance Rights to Mr Jay Hughes (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO DOUG YOUNG

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

“That, subject to passing Resolution 3, and for the purposes of ASX Listing Rule 10.14, sections 195(4), 211 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4 Performance Rights to Mr Doug Young (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

7. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO GREG CHESSELL

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

“That, subject to passing Resolution 3, and for the purposes of ASX Listing Rule 10.14, sections 195(4), 211 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4 Performance Rights to Mr Greg Chessell (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

8. RESOLUTION 8 – ISSUE OF PERFORMANCE RIGHTS TO SIMON YEO

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

“That, subject to passing Resolution 3, and for the purposes of ASX Listing Rule 10.14, sections 195(4), 211 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4 Performance Rights to Mr Simon Yeo (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

9. RESOLUTION 9 – ISSUE OF PERFORMANCE RIGHTS TO RUSSELL KANE

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

“That, subject to passing Resolution 3, and for the purposes of ASX Listing Rule 10.14, sections 195(4), 211 of the Corporations Act and for all other purposes, approval is given for the Company to issue 4 Performance Rights to Mr Russell Kane (or his nominee/s) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) 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.

Dated: 17th day of January 2014

By order of the Board

Chris Webster
Company Secretary

EXPLANATORY STATEMENT

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.

1. BACKGROUND

1.1 Overview of existing Euroz's remuneration process

Euroz operates as the parent company for Euroz Securities Limited (**Euroz Securities**) and Westoz Funds Management Pty Ltd (**Westoz**) as well as holding various direct investments in its own right. Profits and revenue generated by Euroz Securities and Westoz are paid by way of dividend to Euroz. Euroz also receives dividends from direct investments in Westoz Investment Company Limited (ASX:WIC) and Ozgrowth Limited (ASX:OZG).

Depending on arrangements made and the roles undertaken the employees (including executive directors) of Euroz, Euroz Securities and Westoz (together the **Euroz Group**) are largely remunerated by either commission earned (**Commission**) or bonuses payable from the Profit Share Bonus Pool (**Profit Share Bonus Payments**). Employees who work in the Private Clients Division 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 are remunerated by base salary and Profit Share Bonus Payments.

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

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

A large number of the executive directors of the Euroz Group (as a whole), 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.

1.2 Proposed changes to the remuneration process – Bonus Deferral Scheme

Following an external review of our remuneration process and the development of a new remuneration policy and benchmarking to some of our competitors the Board of Euroz has proposed a change to the current remuneration process.

In summary and as set out in more detail below, this will involve increasing the Profit Share Bonus Pool from 30% to 40% of the pre-tax profits of Euroz Securities and subsequently allocating all of the increase into the Euroz Limited Performance Rights Plan (**Plan**) under which Eligible Participants in the Plan will receive Performance Rights that will vest into Shares at a later date subject to satisfactory performance and service conditions (**Bonus Deferral Scheme**). The Plan will allow Profit Share Bonus Payments to be made as a combination of cash (75%) and Shares (25%). To implement this Euroz is seeking Shareholder approval to:

- (a) increase the Profit Share Bonus Pool from 30% to 40% of pre-tax profits of Euroz Securities through Shareholder approval of Resolutions 1 and 2. Further information is set out in Sections 2 and 3 of the Explanatory Statement; and
- (b) implement the Plan through Shareholder approval of Resolution 3, by which 25% of Commission and Profit Share Bonus Payments allocated to employees of the Euroz Group may be earned as Shares. Further information is set out in Section 4 of the Explanatory Statement.

To demonstrate the theoretical past effects on Euroz we have outlined below an analysis of our 4 year historical results incorporating the move to 40% in the Profit Share Bonus Pool on the Net Profit After Tax (**NPAT**) of Euroz Securities and the Earnings Per Share (**EPS**) of Euroz.

FY	Actual			Increase to 40%				
	Euroz Securities Pre-tax Profit	Profit Share Bonus Pool 30%	Euroz Securities NPAT	Profit Share Bonus Pool 40%	Tax	Euroz Securities NPAT	Difference in NPAT 30% to 40%	Effect on Euroz EPS
FY 2010	\$19,327,648	\$5,798,206	\$9,344,798	\$7,731,059	\$3,535,898	\$8,001,349	\$1,343,449	\$0.010
FY 2011	\$24,076,826	\$7,529,206	\$11,572,203	\$9,630,730	\$4,447,887	\$10,117,728	\$1,454,475	\$0.010
FY 2012	\$20,399,765	\$6,119,930	\$9,520,248	\$8,159,906	\$3,774,706	\$8,109,389	\$1,410,859	\$0.010
FY 2013	\$5,066,666	\$1,520,000	\$1,808,856	\$2,026,666	\$985,620	\$1,466,460	\$342,396	\$0.002
4 Year average	\$17,217,276	\$5,241,857	\$8,061,526	\$6,887,090	\$3,186,028	\$6,923,732	\$1,137,795	\$0.0082

2. RESOLUTION 1 – INCREASE IN PROFIT SHARE BONUS POOL

2.1 Profit Share Bonus Pool

The Profit Share Bonus Pool is a share of the pre-tax profit of Euroz Securities that is distributed amongst certain executive directors and other employees of the Euroz Group through Profit Share Bonus Payments. The Profit Share Bonus Pool is currently set at 30% of the pre-tax profit of Euroz Securities.

Subject to Shareholder approval of Resolution 1, Euroz will increase the Profit Share Bonus Pool to 40% of the pre-tax profit of Euroz Securities to allow for the initial step of the Bonus Deferral Scheme.

2.2 Section 195 of the Corporations Act

Section 195(1) of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

If there is not a quorum of directors who are eligible to vote on a matter because of the operation of Section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter (Section 195(4) of the Corporations Act). The voting prohibition in s195(1) of the Corporations Act does not apply to a proposal to call a general meeting to consider a matter in which one or more directors have a material personal interest—that is, a director with a material personal interest may consider and vote on such a proposal.

Each of the Directors, being Messers Andrew McKenzie Jay Hughes, Doug Young, Greg Chessell, Simon Yeo and Russell Kane have a material personal interest in the outcome of Resolution 1 of the Meeting as set out below:

- (a) Resolution 1 relates to the increase in the Profit Share Bonus Pool of the Company; and
- (b) each of the Directors are eligible to participate in the Profit Share Bonus Pool and receive distributions from it as part of their remuneration.

In the absence of the approval under Section 195(4) sought by Resolution 1 the Directors will not be able to form a quorum at any Directors' meetings necessary to implement the increase of the Profit Share Bonus Pool on behalf of the Company.

The Directors have exercised their right under Section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

To avoid doubt, Resolution 1 permits the Directors to do whatever is necessary to increase the Profit Share Bonus Pool from 30% to 40% of the pre-tax profit of Euroz Securities.

Set out below is a worked example of an employee bonus calculation:

	Bonus		Cash Bonus	Deferred - 3 years Euroz Shares
Current 30% Profit Share Bonus Pool				
Example Employee	\$75,000		\$75,000	\$0
Increase to 40% Profit Share Bonus Pool				
Example Employee	\$100,000		\$75,000	\$25,000

3. RESOLUTION 2 – REASONABLE REMUNERATION

3.1 Chapter 2E Approval

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.

If Resolution 1 is approved, the participation in the increased Profit Share Bonus Pool constitutes giving a financial benefit as the Directors who are eligible to receive payments out of the Profit Share Bonus Pool are related parties of the Company by virtue of being Directors.

It is open for the Company to seek Chapter 2E approval for this benefit at this Meeting however as stated above, the benefit must be given within 15 months following the approval. The Company intends to continue to allocate the Profit Share Bonus Pool amongst Directors every year and the benefits will continue to be provided beyond 15 months after the Meeting, accordingly Chapter 2E approval would not be appropriate in these circumstances.

3.2 Exception

Section 211(1) of the Corporations Act provides that Chapter 2E shareholder approval is not required to give a financial benefit if:

- (a) the benefit is remuneration to a related party as an officer or employee of the public company; and
- (b) to give the remuneration would be reasonable given:
 - (i) the public company's circumstances; and
 - (ii) the related party's circumstances (including the responsibilities involved in the office or employment),

(the **Reasonable Remuneration Exception**).

As outlined above in section 2.2 a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered. Again as with Resolution 1, each of the Directors, being Andrew McKenzie, Jay Hughes, Doug Young, Greg Chessell, Simon Yeo and Russell Kane, has a material personal interest in the outcome of Resolution 2 as set out below:

- (a) Resolution 2 relates to the benefits to be received by the Directors out of the increased Profit Share Bonus Pool; and
- (b) each of the Directors are eligible to participate in the increased Profit Share Bonus Pool as part of their remuneration.

In the absence of the approval under Section 195(4) sought by Resolution 2 the Directors will not be able to form a quorum at any Directors' meetings necessary to consider the applicability of the Reasonable Remuneration Exception provided by Section 211 of the Corporations Act in the circumstances. In that event, the Company will need to seek approval for the provision of benefit out of the Profit Share Bonus Pool pursuant to Section 208 of the Corporations Act every 15 months.

The Directors have exercised their rights under Section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

Subject to the approval of Resolution 2 the Company will not seek shareholder approval under Section 208 of the Corporations Act for the benefits given to the Directors as a result of the increase in the Profit Share Bonus Pool.

3.3 Reasonable Remuneration

The following information will assist Shareholders in determining whether the Reasonable Remuneration Exception applies.

What is reasonable remuneration?

The term “remuneration” is defined in Section 9 of the Corporations Act to mean “a benefit given to an officer or employee of a corporation ... if and only if the benefit, were it received by a director of the corporation, would be remuneration of the director for the purposes of an accounting standard that deals with disclosure in companies’ financial reports of information about directors’ remuneration”.

The remuneration must be reasonable, having regard to both the circumstances of the company or entity which provides the remuneration, and the circumstances of the person to whom the remuneration is paid (including the responsibilities of the position held by that person, their performance, length of service to the company and the necessity to attract and retain directors of a high calibre). However the Corporations Act does not prescribe what constitutes ‘reasonable remuneration’. Similarly, Australian courts have been reluctant to evaluate the scope of the Reasonable Remuneration Exception.

In the absence of Australian regulatory or judicial guidance on the scope of the Reasonable Remuneration Exception, it is open to directors of companies to defend their conduct in relation to remuneration structures:

- (a) through the adoption of a recommendation from a remuneration consultant;
- (b) by having regard to and following the remuneration practices of industry peers; and
- (c) by receiving formal advice from a consultant that their arrangements are ‘reasonable’.

Remuneration Consultant

To assist Shareholders in their determination of whether the increase in the Profit Share Bonus Pool would be considered reasonable remuneration for Chapter 2E purposes, the Company have obtained a report on Euroz’s remuneration from a remuneration consultant (**Remuneration Report**). The Remuneration Report is accompanying this Notice at Schedule 2.

Sherwood Love and Associates (**Remuneration Consultant**) was approved to act as remuneration consultant by the Directors of the Company and the members of the Remuneration Committee in accordance with Section 206K(2) of the Corporations Act.

As all the directors of the Company are executive directors the remuneration recommendation was provided to the directors of the Company and Remuneration Committee.

As required by Section 206M of the Corporation Act the Remuneration Consultant has made a declaration about whether the recommendation is made free from undue influence by key management personnel to whom the recommendation relates.

The Board is satisfied that the remuneration recommendation was made free from undue influence by the key management personnel of the Company due to the following arrangements being put into place:

- (a) Management provided factual information to the Remuneration Consultant throughout the engagement about Company processes, practices and other business.
- (b) All communications between the Company and the Remuneration Consultant in relation to the remuneration recommendations were subject to strict guidelines, including that information provided to Remuneration Consultant must not be selective or unbalanced, or imply that future work is contingent on the Remuneration Consultant giving particular recommendations. In addition, the Remuneration Consultant provided a declaration to the Committee that the remuneration recommendations they made were free from any undue influence by the Company's key management personnel.
- (c) The Remuneration Consultant has declared that they have not been influenced by the Executives in carrying out their duties for the Remuneration Committee.
- (d) No other additional work was undertaken by Remuneration Consultant in respect of the Company.

4. RESOLUTION 3 – ADOPTION OF PERFORMANCE RIGHTS PLAN

4.1 General

To give effect to the Bonus Deferral Scheme, Resolution 3 seeks Shareholder approval to establish and maintain the Plan under which Eligible Participants may be granted Performance Rights to acquire Shares in the Company.

The objective of the Plan is to provide the Euroz Group with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of full time or part-time employees of the Euroz Group (including a director or company secretary of the Euroz Group who holds salaried employment with the Euroz Group) (**Eligible Participants**) in achieving specified performance related vesting conditions within a defined period.

It is considered by the Directors that the adoption of the Plan and the future issue of Performance Rights and Shares under the Plan will provide Eligible Participants with the opportunity to participate in the future growth of the Company.

Non-executive Directors will not be eligible to participate in the Plan.

The Board will ensure that the vesting conditions attached to Performance Rights granted under the Plan are aligned with the successful growth of the Company's business activities.

4.2 ASX Listing Rules 7.1 and 7.2(9)

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 – Exception 9(b), which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

Resolution 3 seeks Shareholder approval for the adoption of the Plan in accordance with Exception 9 of ASX Listing Rule 7.2. The effect of Resolution 3 will be to allow the Directors to grant Performance Rights under the Plan during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), and to issue Shares to Eligible Participants if they achieve the vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

In the case of a Director, no Performance Rights will be issued to the Director without separate Shareholder approval under ASX Listing Rule 10.14. Accordingly the Company is seeking approval to issue Performance Rights to the Directors under Resolutions 4, 5, 6, 7, 8 and 9.

4.3 Performance Rights

A Performance Right represents a right to be issued either:

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

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

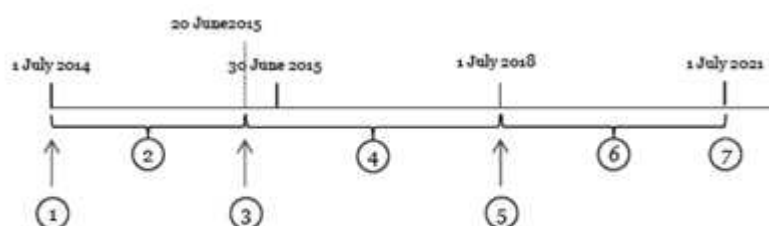
Whether the Performance Rights will be Standard Performance Rights or Formulaic Performance Rights will be set out in the offer.

4.4 Previous issues

Shareholders should note that no Performance Rights have been previously issued under the Plan. As at the date of this Notice, the Board has resolved to issue, under the Plan, the Performance Rights the subject of Resolutions 4, 5, 6, 7, 8 and 9, subject to Shareholder approval.

4.5 Operation of the Plan

To illustrate the operation of the Plan please consider the timeline of events for the financial year 2014/2015 and worked example as set out below.



Timeline of events

1. Invitations 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 earned in cash, and are granted a Performance Right to receive the remaining 25% of any Profit Share Bonus Payments/Commission earned in Shares.
2. Performance will be assessed against pre-determined targets set as part of the current Profit Share Bonus Payments/Commission process (for avoidance of doubt, no additional or separate key performance indicators (**KPI**) are required for the Plan – the Plan simply provides for payouts to be made in a combination of cash and equity).
3. Performance outcomes will be determined and finalised by approximately 20 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.
4. Shares will be issued/transferred subject to a service condition so that vesting of the Shares occurs on the 4th anniversary of the grant of the Performance Rights 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 Employee Share Trust**) for ease of administration. Participants will be entitled to dividends upon being issued/transferred the Shares.
5. 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.
6. Vested Shares will also remain subject to a disposal restriction. The disposal restriction will lift at the earlier of the 7th anniversary of the grant of the Performance Right or cessation of employment (under circumstances where Shares are not forfeited) (**Disposal Restriction**).
7. Provided the employee has continued employment, the Disposal Restriction is lifted.

Worked example of the operation of the Plan

1. Employee A has a target bonus of \$60,000. For any bonus earned, Employee A will be paid 75% in cash (ie. up to \$45,000) and have a Right to receive 25% in Shares (ie. up to \$15,000).
2. Bonuses will be subject to performance assessed against KPIs over a 12-month period.
3. Performance outcomes are determined and finalised by 20 June. Assume that KPIs are met, this will result in Employee A earning a bonus worth \$60,000 – 75% is paid in cash (ie. \$45,000) and the balance is settled in Shares (ie. \$15,000).

The number of Shares to be issued to Employee A will be calculated as: \$15,000 / 30-day VWAP preceding 20 June, rounded down to the nearest whole number.

Assuming that the 30-day VWAP preceding 20 June 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 (ie. \$15,000 / \$1.50). Employee A is entitled to dividends on these Shares.

4. Employee A's Shares will be held via the Euroz Employee Share Trust for ease of administration, and will remain subject to the Service Condition so that the Shares will not vest until the 4th anniversary of the grant date of the Performance Right, unless in the case of death or total and permanent disability.
5. Provided Employee A satisfies the Service Condition, a vesting notice is issued and Employee A's Shares will vest.
6. Vested Shares remain subject to the Disposal Restriction. The Disposal Restriction will lift at the earlier of 7 years from grant of the Performance Right or cessation of employment (under circumstances where Shares are not forfeited).
7. Provided Employee A has continued employment, the Disposal Restriction will lift on the 7th anniversary of grant date of the Performance Right.

4.6 Summary of the Plan

A summary of the terms and conditions of the Plan is set out in Schedule 1. The full terms and conditions of the Plan will be available on the Euroz website once finalised.

5. RESOLUTIONS 4, 5, 6, 7, 8 AND 9 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

5.1 General

The Directors are remunerated through a base salary and a Profit Share Bonus Payment, as set out in section 1.1 of this Notice. Subject to obtaining Shareholder approval under Resolution 3, the Directors will be eligible to participate in the Bonus Deferral Scheme and consequently the Plan. Accordingly, the Company has agreed, subject to Shareholder approval, to grant four (4) Performance Rights to Messrs Andrew McKenzie, Jay Hughes, Doug Young, Greg Chessell, Simon Yeo and Russell Kane (or their nominee/s) (**Related Parties**)(**Related Party Performance Rights**) under the Plan over the next three years. Performance Rights for the 30 June 2014 Profit Share Bonus Payment will be granted as soon as possible following shareholder approval. For all future years, the Performance Rights will be granted on 1 July of the Relevant Financial Year as outlined below in section 5.4.

Resolutions 4, 5, 6, 7, 8 and 9 are conditional on Shareholders approving the operation of the Plan under Resolution 3.

The purpose of the issue of Related Party Performance Rights is to provide retention incentives and to further motivate and reward the performance of the

Related Parties in successfully executing Euroz Group's business plan and maximising value from Euroz Group's assets for the benefit of all Shareholders.

5.2 Chapter 2E of the Corporations Act

The requirements of Chapter 2E is set out at section 3.1 of this Notice.

The issue of the Related Party Performance Rights constitutes giving a financial benefit and Messrs Andrew McKenzie, Jay Hughes, Doug Young, Greg Chessell, Simon Yeo and Russell Kane are each a related party of the Company by virtue of being a Director.

As with Resolution 2, the Directors are not able to form a quorum to consider whether the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act, specifically, the Reasonable Remuneration Exception, as set out in section 3.2 of this Notice.

Accordingly, the Directors have exercised their rights under Section 195(4) of the Corporations Act to put the issue of the Related Party Performance Rights to Shareholders to consider the applicability of the Reasonable Remuneration Exception.

Subject to the approval of Resolutions 4, 5, 6, 7, 8 and 9 the Company will not seek Shareholder approval for the issue of Related Party Performance Rights pursuant to Section 208 of the Corporations Act.

5.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The Company's Plan is an employee incentive scheme for the purpose of ASX Listing rule 10.14. A summary of the operation of the Plan is set out in section 4.5 of the Explanatory Statement and the key terms of the Plan are summarised at Schedule 1.

The Related Parties all hold salaried employment with the Company and are therefore eligible to participate in the Plan.

As the issue of the Related Party Performance Rights involves the issue of securities under an employee incentive scheme, and the Related Parties are all Directors, Shareholder approval pursuant to ASX Listing Rule 10.14 is required.

5.4 Grant and Vesting of Performance Rights and Shares

The remuneration process for Euroz is explained above at section 1.1.

To implement the participation of the Directors in the Plan, it is proposed that the Related Parties will be granted four (4) Related Party Performance Rights, one (1) in respect of each of the financial years ending 30 June 2014, 2015, 2016 and 2017 (each a **Relevant Financial Year**). They will be Formulaic Performance Rights, as defined at 4.3.

Accordingly, subject to Resolutions 4, 5, 6, 7, 8, and 9, for each Related Party the Related Party Performance Rights will be granted as follows:

- (a) one (1) as soon as practicable after Shareholder approval is received for Resolutions 4, 5, 6, 7, 8 and 9 for the Relevant Financial Year ending June 2014;
- (b) one (1) on or about 1 July 2014 for the Relevant Financial Year ending June 2015;
- (c) one (1) on or about 1 July 2015 for the Relevant Financial Year ending June 2016; and
- (d) one (1) on or about 1 July 2016 for the Relevant Financial Year ending June 2017.

The Related Party Performance Rights will vest into Shares subject to satisfactory performance assessed against pre-determined KPIs during the Relevant Financial Year. For a summary of the timeline of the Plan please refer to section 4.5 of the Explanatory Statement.

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 4.3(b)), 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 \$120,000 then the Plan Dollar Value would be \$30,000. Assuming that the VWAP is \$1.19 (being the Current Share Price of Euroz Shares) then each Related Party would be entitled to 25,210 Shares.

The table below sets out further theoretical examples 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 \$120,000:

		Profit Share Bonus Payment for the Relevant Financial Year			
			\$60,000 (50% decrease in Profit Share Bonus Payment)	\$120,000 (Profit Share Bonus Payment received for Financial Year 2012/13)	\$180,000 (50% increase in Profit Share Bonus Payment)
VWAP	\$1.19 (Current Share Price)	Plan Dollar Value	\$15,000	\$30,000	\$45,000
		Shares	12,605	25,210	37,815
	\$0.595 (50% decrease in Current Share Price)	Plan Dollar Value	\$15,000	\$30,000	\$45,000
		Shares	25,210	50,420	75,630
	\$1.785 (50% increase in Current Share Price)	Plan Dollar Value	\$15,000	\$30,000	\$45,000
		Shares	8,403	16,806	25,210

Therefore, assuming a 50% decrease in Current Share Price and 50% increase in the Profit Share Bonus Payments the maximum would be 75,630 Shares for each Related Party for each Relevant Financial Year.

Other Restrictions on the Shares once the Related Party Performance Rights

The Shares will be issued subject to the Service Condition requiring the Related Party to remain employed with the Euroz Group until the 4th anniversary of the grant date of the relevant Related Party Performance Right. Once the Service Condition is satisfied the Related Party Performance Right will vest. If the Related Party ceases employment before the Service Condition is satisfied, the Shares will be forfeited, unless the Board determines otherwise or in the case of death or total and permanent disability.

The Shares will be issued subject to a Disposal Restriction that will lift upon the earlier of the 7th anniversary of the award date of the Related Party Performance Right or cessation of employment.

Additionally, where a Related Party ceases employment and is deemed by the Board to be a bad leaver within the 6 month period of ceasing employment all Shares issued and/or transferred to the Related Party under the Plan will be forfeited, unless otherwise determined by the Board.

5.5 Taxation Implications for Related Parties

The Plan may have different tax implications for each Related Party. The Related Parties are advised to obtain professional advice as to the taxation consequences of the Related Party Performance Rights in their specific circumstances.

5.6 Reasonable Remuneration Exception

To assist Shareholders in the consideration of whether the provision of the Related Party Performance Rights falls under the Reasonable Remuneration Exception the following information is provided in relation to the Related Party Performance Rights:

- (a) the value of each Related Party Performance Right will be the Plan Dollar Value for the Relevant Financial Year, being 25% of the Profit Share Bonus Payment. For example, based on the average of the Profit Share Bonus Payments over the last 4 years which is \$411,250 (the same assumption used below in 5.7(c)), the value of each Related Party Performance Right is \$102,813, being 25% of \$411,250. This value will be subject to changes in the Profit Share Bonus Payments.
- (b) the relevant interests of the Related Parties in securities of the Company, at the date of this Notice, are set out below:

Related Party	Shares
Mr McKenzie	10,000,000
Mr Hughes	10,000,000
Mr Young	4,250,000
Mr Chessell	3,102,000
Mr Yeo	3,520,000
Mr Kane	2,370,000

- (c) the remuneration and emoluments from the Company to the Related Parties for the previous two financial years and the proposed remuneration and emoluments for the current financial year (on a full year basis) are set out below:

Related Party	Financial Year 30 June 2012	Financial Year 30 June 2013	Financial Year 30 June 2014
Mr McKenzie	\$798,085 ¹	\$421,135 ²	\$324,907 ⁴
Mr Hughes	\$785,737 ¹	\$415,083 ²	\$318,855 ⁴
Mr Young	\$786,217 ¹	\$422,642 ²	\$326,414 ⁴
Mr Chessell	\$770,068 ¹	\$405,973 ²	\$309,745 ⁴
Mr Yeo ³	\$623,750	\$491,128	\$364,610 ⁴
Mr Kane ³	\$422,996	\$326,966	\$303,198 ⁴

Notes:

1. This includes a Profit Share Bonus Payment of \$440,000.
2. This includes a Profit Share Bonus Payment of \$120,000.

3. Mr Yeo and Mr Kane were appointed as Directors on 5 November 2013. Accordingly, the payments for the 2013 and 2013 financial years were as employees of Euroz.
4. No amount has been incorporated for Profit Share Bonus Payment as there was no bonus payable at 31 December 2013 and no amount has been determined for 30 June 2014.

(d) 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	\$1.35	13 & 14 February 2013
Lowest	\$0.95	24 July 2013
Last	\$1.20	14 January 2014

(e) the primary purpose of the grant of the Related Party Performance Rights pursuant to Resolutions 4, 5, 6, 7, 8 and 9 is to allow the participation of the Directors in the Bonus Deferral Scheme which will provide a further performance linked incentive component in the remuneration package for the Related Parties and motivate and reward their performance in their respective roles as Directors.

Further, the Conclusion of Schedule 2 sets out the Remuneration Consultant's recommendation in relation to the Bonus Deferral Scheme and the Directors participation.

5.7 Technical information required ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of ASX Listing Rules 10.15A, following information is provided in relation to Resolutions 4, 5, 6, 7, 8 and 9:

- (a) the related parties are Messrs Andrew McKenzie, Jay Hughes, Doug Young, Greg Chessell, Simon Yeo and Russell Kane by virtue of being Directors;
- (b) the maximum number of Related Party Performance Rights to be granted to the Related Parties over the course of three years shall not exceed the numbers below:

Related Party	Performance Rights
Mr McKenzie	4
Mr Hughes	4
Mr Young	4
Mr Chessell	4
Mr Yeo	4
Mr Kane	4
Total	24

- (c) the number of Shares to be issued to the Related Parties if the Related Party Performance Rights vest into Shares will be determined in accordance with the calculation outlined in section 5.4 above. However for the purposes of ASX Listing Rule 10.15A.2 the Company advises that the maximum number of Shares to be issued to the Related Parties over the course of the three years shall not exceed 8,294,118 (being 345,590 Shares for each Related Party over the four Relevant Financial Years). This maximum assumes that the amount of the Profit Share Bonus Payments for each Relevant Financial Year is \$411,250 (being the average of the Profit Share Bonus Payments over the last four years) and the VWAP of \$0.595 (being a 75% decrease in the Current Share Price).

The table below sets out this maximum and a further example of the number of Shares if the Current Share Price were to only decrease by 50%.

		Each Related Party Performance Right	Total (24) Related Party Performance Rights to be issued subject to approval under this Notice
EXAMPLE For a 50% decrease in Current Share Price	Plan Dollar Value (being 25% of \$411,250)	\$102,813	\$2,467,500
	VWAP (being a 50% decrease of the Current Share Price)	\$0.595	\$0.595
	<u>Shares to be issued on vesting</u>	<u>172,795</u>	<u>4,147,059</u>
MAXIMUM For a 75% decrease in Current Share Price	Plan Dollar Value (being 25% of \$411,250)	\$102,813	\$2,467,500
	VWAP (being a 75% decrease of the Current Share Price)	\$0.2975	\$0.2975
	<u>Maximum Shares to be issued on vesting</u>	<u>345,590</u>	<u>8,294,118</u>

Assuming the maximum number of Shares are issued (being 8,294,118), the number of Shares on issue will increase from 144,622,797 to 152,916,915 (assuming that no options for Shares are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 5.42%;

- (d) the Related Party Performance Rights will be issued for nil cash consideration and no cash consideration will be payable upon the

vesting of the Related Party Performance Rights or the subsequent issue of Shares (if any);

- (e) as at the date of this Notice, Messrs Andrew McKenzie, Jay Hughes, Doug Young, Greg Chessell, Simon Yeo and Russell Kane are the only persons covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Related Party Performance Rights under the Performance Rights Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained);
- (f) details of any securities issued under the Plan and approved under ASX Listing Rule 10.14 will be published in each annual report of the Company relating to the period to which the securities have been issued. Any additional Director, associate of the Director, or a person whose relationship with the Company, Director or associates of the Director is such that approval should be obtained, who becomes entitled to participate in the Plan after Resolutions 4, 5, 6, 7, 8 and 9 have been considered and who was not named in this Notice will not be entitled to participate in the Plan until approval is obtained under ASX Listing Rule 10.14;
- (g) the Company will grant the Related Party Performance Rights to the Related Parties (or their nominees) as soon as practicable following Shareholder approval of Resolutions 4, 5, 6, 7, 8 and 9 and on or around 1 July 2014, 2015 and 2016 in accordance with section 5.1 and 5.4 above;
- (h) Mr McKenzie declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution 4 on the basis that he is to be issued Related Party Performance Rights in the Company should Resolution 4 be passed. However, Mr McKenzie recommends that Shareholders vote in favour of Resolution 5, 6, 7, 8 and 9 for the following reasons:
 - (i) the issue of the Related Party Performance Rights, in particular, the vesting conditions and performance milestones, will better align the interests of the Related Parties with those of Shareholders by directly and transparently linking executive remuneration with strategy and performance by aligning incentives with achievement of the Company's strategic objectives and longer term Shareholder return;
 - (ii) the issue 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 Related Parties;
 - (iii) the issue of the Related Party Performance Rights is a key retention tool as the Shares from the vesting of the Related Party Performance Rights will be subject to the Service Condition and any unvested Related Party Performance Rights and unvested Shares will be forfeited once the Director ceases to be employed by the Euroz Group, subject to the Board's discretion; and

- (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Performance Rights upon the terms proposed;
- (i) Mr Hughes declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution 5 on the basis that he is to be Related Party Performance Rights in the Company should Resolution 5 be passed. However, Mr Hughes recommends that Shareholders vote in favour of Resolutions 4, 6, 7, 8 and 9 for the reasons set out in paragraph (h);
- (j) Mr Young declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution 6 on the basis that he is to be Related Party Performance Rights in the Company should Resolution 6 be passed. However, Mr Young recommends that Shareholders vote in favour of Resolution 4, 5, 7, 8 and 9 for the reasons set out in paragraph (h);
- (k) Mr Chessell declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution 7 on the basis that he is to be Related Party Performance Rights in the Company should Resolution 7 be passed. However, Mr Chessell recommends that Shareholders vote in favour of Resolutions 4, 5, 6, 8 and 9 for the reasons set out in paragraph (h);
- (l) Mr Yeo declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution 8 on the basis that he is to be Related Party Performance Rights in the Company should Resolution 8 be passed. However, Mr Yeo recommends that Shareholders vote in favour of Resolutions 4, 5, 6, 7 and 9 for the reasons set out in paragraph (h);
- (m) Mr Kane declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution 9 on the basis that he is to be Related Party Performance Rights in the Company should Resolution 9 be passed. However, Mr Kane recommends that Shareholders vote in favour of Resolutions 4, 5, 6, 7 and 8 for the reasons set out in paragraph (h);
- (n) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be issued as well as the performance hurdles and expiry date of those Related Party Performance Rights; and
- (o) 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 4, 5, 6, 7, 8 and 9.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights the subject of Resolutions 4, 5, 6, 7, 8 and 9 as approval is being obtained under ASX Listing Rule 10.11 and 10.14. Accordingly, the issue of the Related Party Performance Rights the subject of Resolutions 4, 5, 6, 7, 8 and 9 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Bonus Deferral Scheme has the meaning given in section 1.2.

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

Chair means the chair of the Meeting.

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

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

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

Constitution means the Company's constitution.

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

Current Share Price means the closing price of Euroz Shares on ASX on 9 January 2014, being \$1.19.

Directors means the current directors of the Company.

Disposal Restriction has the meaning given in section 4.5 under Operation of the Plan item 6 of the Explanatory Statement.

Euroz Securities means Euroz Securities Limited (ACN 089 314 983)

Euroz Group means Euroz, Euroz Securities and Westoz.

Eligible Participant has the meaning given in section 4.1.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

Performance Right means a performance right granted under the Plan on the terms and conditions set out in Schedule 1.

Plan is the employee incentive scheme titled Euroz Limited Performance Rights Plan to be adopted pursuant to Resolution 3 with the terms and conditions set out in Schedule 1.

Plan Dollar Value has the meaning given in section 5.4.

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

Profit Share Bonus Payment has the meaning given at section 1.1.

Proxy Form means the proxy form accompanying the Notice.

Reasonable Remuneration Exception has the meaning given in section 3.2.

Related Party Performance Rights means the Performance Rights to be issued to the Related Parties subject to the approval of Resolutions 4 to 9, or any one of them, as the context requires.

Remuneration Committee means the remuneration committee established by the Board in consideration of the ASX Corporate Governance Principles and Recommendations, and has the authority and power to exercise the roles and responsibilities as set out in the Remuneration Committee Charter dated August 2013, available on the Company's website.

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

Service Condition has the meaning given in section 4.5 under Operation of the Plan item 4 of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Westoz means Westoz Funds Management Pty Ltd (ACN 106 677 721).

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

SCHEDULE 1 – TERMS OF PLAN

The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholder pursuant to Resolution 3:

- (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**). All employees participating in the Company's current Profit Share Bonus Payments (**Cash Bonus Schemes**) will participate in the Plan and 25% of the bonus will be invested in the Performance Rights.
- (b) **Purpose of the Plan:** The purpose of the Plan is defer 25% of Eligible Participants' Profit Share Bonus Payments into equity in the Company to provide an incentive to Eligible Participants by enabling them to participate in the future growth of the Company and upon becoming shareholders, to participate in the Company's profits and development. Under the Plan Eligible Participants may be granted rights to Shares upon the satisfaction of specified performance criteria (**Performance Rights**). The provision of this incentive is expected to result in future benefits to the shareholders and Eligible Participants.
- (c) **Offer of Performance Rights:** All Eligible Participants participating in the Company's current cash bonus schemes will defer part of the bonus for each financial year into Performance Rights. Performance Rights will be granted at the start of the relevant financial year. The Board may make a written offer (**Offer**) to the Eligible Participant of Performance Rights which will form the deferred component of their Profit Share Bonus Payment. The Offer will specify the number of Performance Rights being offered and the conditions that must be met by the Eligible Participant before the Performance Rights will vest.
- (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 Rights will, upon vesting, entitle the holder to:
 - (i) a specified number of Shares (**Standard Performance Right**); or
 - (ii) a specified number of Shares calculated by the Plan Dollar Value divided by the 30-day VWAP preceding the calculation date as specified in the offer (**Formulaic Performance Right**),
- (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 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 will be operated through an employee share trust structure. Under the trust, on vesting and exercise of any Performance Rights the resultant Shares will be held via the trust where the trustee will be the legal owner of the share and the employee the beneficial owner.
- (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.



SCHEDULE 2 – REMUNERATION CONSULTANT REPORT

Report on the Remuneration Resolutions

We have been appointed by the Board of the Euroz Limited ("the Company") pursuant to section 206K(2) of the Corporations Act 2001 ("the Act") to provide a report to members on the remuneration related resolutions to be put before an Extraordinary General Meeting of the Company scheduled for 21 February, 2014.

In accordance with section 206L(3) of the Act, as a remuneration consultant, we must not provide a recommendation to a person who is an Executive Director of the Company unless all the Directors of the Company are Executive Directors of the Company.

Given that all the Directors of the Company are Executive Directors we rely on the exception "...unless all directors of the company are executive directors of the company..." as set out in section 206L(3) of the Act and we have provided our final detailed advice and recommendation directly to the Executive Chairman of the Company. We set out below a summary of our advice.

We have reviewed the Remuneration Resolutions 1 – 9 set out in the Notice of Extraordinary Meeting ("the Resolutions") of the Company.

The Resolutions deal with three main matters.

1. An increase in the Profit Share Bonus Pool.
2. Adoption of a Performance Rights Plan.
3. The issue of Performance Rights to six named Directors of the Company.

Increase in Profit Pool Share

There are three questions to consider here.

1. Is the top-down method the most appropriate method to use for the funding of the variable remuneration pool?
2. Is pre-tax profit the most appropriate performance metric to use ?
3. Is the percentage justified on the basis of reasonable remuneration?

Question 1

Most organizations in the financial services sector employ a combination of a top-down and a bottom-up method for variable remuneration pool setting.

The strength of the top-down approach is that the pool gets funded using the performance criteria tied to the Company's overall performance.



We are of the view that the top-down approach suggested by the Company is the most appropriate method for bonus pool accrual purposes. However, the Company should also run bottom-up “what if” calculations throughout the year to ensure that the end result is going to provide market competitive rewards.

The Company should also be clear to all employees that the funding of a bonus pool, regardless of methodology used, does not give rise to a legal entitlement to a bonus. The ultimate discretion for variable remuneration being with the Board.

Question 2

There are many different performance measures, each with its own pro et contra, however, each of them can broadly be grouped into one or more of the following elements: quantitative and qualitative measures; absolute and relative measures; and internal and external measures.

Large complex organizations will typically use all groups of measurement throughout their organization, but not necessarily all measurements across all employees and all divisions.

The performance measure proposed by the Company is an internal, absolute, quantitative performance measure, pre-tax profit.

Given the Company's size and its position in the industry this type of performance metric is perfectly acceptable.

We take into account that the nature of the Company's revenue is short-term. By this we mean there are few transactions with significant tail end risk. Once a transaction is executed there is little or no ongoing risk to the Company that the revenue generated will be at risk.

We also take into account that the metric is based on profit, not revenue. This an important point as many of the regulators have attributed the use of revenue based metrics to be one of the main reasons for the growth of excessive remuneration at financial institutions. All institutions now use profit (sometimes economic profit) based performance metrics.

Our third comment on this metric is that it references the absolute performance of the Company. While relative performance can also be a good metric, in the case of the Company we believe an absolute measure is more consistent with the Company's objective of assessing long-term performance of the employee, since an absolute measure better ensures that there is alignment with the Company's long-term goals.



Question 3

In order to comment on the quantum we need to consider how the original 30% was arrived at historically. It is our understanding that in the Perth stock broking industry (which, it should be noted, is made up primarily of private businesses) the method for the calculation of profit pools has historically been circa 30% of pre-tax profit.

In the Perth market over the past few years, margins in the stockbroking industry have decreased. This is due in part to increased competition from both new and existing market participants (including the wider use of on-line brokerage services) together with a reduction in trading volumes. A number of brokers in the Perth market have struggled to maintain their profitability and this has led to a departure from the top-down percentage of profit approach in some cases and an increase in the percentage of profit allocated to variable remuneration in others.

The anecdotal evidence we have (much of our research relies on anecdotal data, due to the private nature of the Perth stockbroking industry) confirms that pre-tax profit payout ratios for variable remuneration have been up to the 45% level and that some competitors are now paying on a bottom-up basis simply to maintain key talent until margins and profitability improve.

Despite these market conditions, the Company has been able to remain profitable, across all businesses. It is however paramount, particularly in an environment such as this, that the Board have the flexibility to remunerate beyond the 30% of pre-tax profit level, in order to motivate and retain key talent.

What we are observing in the Perth market is consistent with what we have witnessed in the global market since the GFC. The global investment banking industry has historically used circa 50% of revenue as the accrual method for variable remuneration pools.

The GFC led to a change in the way the global investment banking industry accrues for variable remuneration, they now mainly use a percentage of economic profit as the pool calculator and there is a higher portion of deferred remuneration.

We are of the view that the Company is moving in the right direction with its approach to remuneration. In the current highly competitive environment and given the introduction of an element of deferral in remuneration, the proposed 40% is in our view reasonable.

We add however, that the Board needs to consider a range of factors when making the final decision on the size of the variable remuneration pool. The key factors being : providing an adequate return to shareholders; maintaining a strong capital base; and supporting a performance based culture with consideration of risk and reputation.



Adoption of Performance Rights Plan

The purpose of this resolution is to introduce, as we understand it for the first time, an element of deferral in the Company's remuneration program.

One of the primary developments in remuneration regulations over the past few years has been the realization that remuneration has to be based not only on a pay for performance basis, but on a pay for risk factored performance. In fact pay for performance, without regard to risk, was one of the main factors leading to inappropriate and excessive risk taking by global financial institutions and it was this inappropriate risk taking that led in part to the Global Financial Crisis.

In remuneration planning there is ex-anti (before the event) risk and ex-post (after the event) risk.

Deferral instruments offer the opportunity for ex-post risk adjustment. The adjustments could be implicit (such as share price movement in the case of an equity based award) or explicit (such as malus adjustment) as set out in the terms of the award.

The Performance Rights Plan proposed by Resolution 3 deals in part with the ex-post risk aspects of remuneration by offering an implicit adjustment to the award via the share price of the Company. The deferral also deals with the retention aspect of the Company's human capital agenda and is therefore fully supported on this basis.

This type of deferral is consistent with all guidelines and consistent with industry practice.

Issue of Performance Shares to Directors

Our comments relative the Resolutions 1 and 3 are equally relevant to Resolutions 4 – 9. We have no additional or specific comments on these resolutions.

Concluding Comments

With the important exception of the Company's remuneration governance structure, which we have not been asked to express an opinion on, we are of the view that Company adopts an approach to remuneration which is effective as a human capital strategy, sensitive to market practices and recognizes the need to strike the right balance between providing a sustainable return to shareholders and the need attract, retain and reward talented employees.

We believe the Company has provided us with sufficient and appropriate material for us to prepare our report and we provide our report free from undue influence by members of the Board or other key management personnel of the Company to whom the report relates.



SHERWOOD LOVE
& ASSOCIATES

INDEPENDENT REMUNERATION AND GOVERNANCE CONSULTANTS

Sherwood Love and Associates is a totally independent remuneration and corporate governance firm. We provide no other services to the Company.

Ian Love
Managing Partner
Sherwood Love & Associates
Perth, Western Australia

Dated this 17th day of January, 2014

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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Proxy Form



Vote online

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Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number:

SRN/HIN:

PIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 1:30pm (WST) Wednesday, 19 February 2014

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 as they choose. 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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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

XX

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

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Euroz Limited to be held at Level 18, Alluvion, 58 Mounts Bay Road, Perth Western Australia on Friday, 21 February 2014 at 1:30pm (WST) 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 - 9 (except where I/we have indicated a different voting intention below) even though Resolutions 1 - 9 are connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

Important Note: For Resolutions 1 - 9, this express authority is also subject to you marking the box in the section below.

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 - 9 by marking the appropriate box in step 2 below.

Important for Resolutions 1 - 9: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 1 - 9 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolutions 1 - 9, the Chairman of the Meeting will not cast your votes on Resolutions 1 - 9 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 - 9.

I/we acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolutions 1 - 9 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

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
Resolution 1	Increase in Profit Share Bonus Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Reasonable Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Rights to Andrew McKenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Performance Rights to Jay Hughes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Performance Rights to Doug Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Performance Rights to Greg Chessell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		For	Against	Abstain
Resolution 8	Issue of Performance Rights to Simon Yeo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Performance Rights to Russell Kane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /