



NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

**For an Annual General Meeting to be held on Wednesday, 21 November 2018 at 9.30am (AEDT)
at The Marble Room, Radisson Blu Plaza Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000**

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9225 2300 or by email to legal@imf.com.au.

Shareholders are urged to attend or vote by lodging the proxy form enclosed with this Notice

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IMF BENTHAM LIMITED

ABN 45 067 298 088

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of IMF Bentham Limited will be held at The Marble Room, Radisson Blu Plaza Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000 on Wednesday, 21 November 2018 at 9.30am (AEDT) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice. We recommend shareholders read the Explanatory Memorandum in relation to the proposed Resolutions.

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 as Shareholders on Monday, 19 November 2018 at 7.00pm (AEDT).

Terms and abbreviations used in this Notice, unless otherwise defined in this Notice, are defined in Schedule 1.

AGENDA

ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – CHRISTINE FELDMANIS

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 6.2(b) of the Constitution and for all other purposes, Ms Christine Feldmanis who was appointed by the Board on 20 September 2018 with her appointment to take effect from 1 November 2018, retires and being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum."

3. RESOLUTION 3 - RE-ELECTION OF DIRECTOR – MICHAEL KAY

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

"That, pursuant to and in accordance with Listing Rule 14.4, article 6.3 of the Constitution and for all other purposes, Michael Kay, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. RESOLUTION 4 – APPROVAL OF LTIP AMENDMENTS

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

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9(b), section 260C(4) of the Corporations Act and for all other purposes, Shareholders approve the LTIP Amendments and the grant of Performance Rights under the LTIP on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion and Prohibition

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director (other than any Directors who are ineligible to participate in any employee incentive plan of the Company) or any of their associates.

However, the Company will not disregard a vote from such person if:

- (a) 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
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS TO MR ANDREW SAKER UNDER THE LTIP

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

"That, pursuant to and in accordance with section 200E of the Corporations Act, Listing Rule 10.14, Listing Rule 10.19 and for all other purposes, Shareholders approve:

- (a) *the issue of Performance Rights to Mr Andrew Saker (and/or his nominee) over a three year period; and*
- (b) *the issue, transfer or allocation of, and acquisition by Mr Andrew Saker (and/or his nominee) of, Shares in respect of those Performance Rights,*

under the LTIP and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion and Prohibition

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the LTIP or by an officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of those persons.

However, the Company will not disregard a vote from such person if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS TO MR HUGH MCLERNON UNDER THE LTIP

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

"That, pursuant to and in accordance with section 200E of the Corporations Act, Listing Rule 10.14, Listing Rule 10.19 and for all other purposes, Shareholders approve:

- (a) *the issue of Performance Rights to Mr Hugh McLernon (and/or his nominee) over a three year period; and*
- (b) *the issue, transfer or allocation of, and acquisition by Mr Hugh McLernon (and/or his nominee) of, Shares in respect of those Performance Rights,*

under the LTIP and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion and Prohibition

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director who is eligible to participate in the LTIP or by an officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of those persons.

However, the Company will not disregard a vote from such person if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – APPROVAL OF RETIREMENT BENEFITS TO MR ANDREW SAKER UNDER HIS EMPLOYMENT CONTRACT

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

"That, pursuant to and in accordance with section 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, Shareholders approve the provision of retirement benefits to Mr Andrew Saker under his employment contract."

Voting Exclusion and Prohibition

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Andrew Saker or by an officer of the Company or any of its child entities who is entitled to participate in a termination benefit, or an associate of those persons.

However, the Company will not disregard a vote from such person if:

- (a) 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
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – APPROVAL OF INDEMNIFIED PERSONS' DEEDS OF INDEMNITY, INSURANCE AND ACCESS

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

"That, pursuant to and in accordance with Chapter 2D of the Corporations Act and for all other purposes approval be given to the Company to:

- (a) indemnify each Indemnified Person, during their Office and after the cessation of that Office, in respect of certain claims made against that Officer in relation to the period of their Office;
- (b) use its reasonable endeavours to procure an insurance policy and pay the premiums of insurance as assessed at market rates for each Indemnified Person in respect of certain claims made against each such Officer in relation to the period of their Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company);
- (c) use its reasonable endeavours to ensure that each Indemnified Person is at all times covered under an insurance policy for the period of seven years from the date that the Indemnified Person ceases to hold Office (Insurance Run-Off Period), which will be on terms not materially less favourable to the Indemnified Person than the terms of insurance applicable at the date of termination of their Office, and to continue to pay those premiums during that Insurance Run-Off Period (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company); and
- (d) provide each Indemnified Person with access, upon the termination of their Office, for a period of not less than seven years following that termination, to any Group entity records which are either prepared by or provided to him/her during the Retention Period,

on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion and Prohibition

The Company will disregard any votes cast in favour of this Resolution by or on behalf of an Indemnified Person or an associate of the Indemnified Person.

However, the Company will not disregard a vote from such person if:

- (a) 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
- (b) it is cast by the Chairman 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.

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person appointed as proxy is the Chairman and the written appointment of the Chairman does not specify the way the Chairman is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Mr Jeremy Sambrook
**General Counsel and
Company Secretary**

Dated: 11 October 2018

IMF BENTHAM LIMITED

ABN 45 067 298 088

EXPLANATORY MEMORANDUM

1. INTRODUCTION

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Marble Room, Radisson Blu Plaza Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000 on Wednesday, 21 November 2018 at 9.30am (AEDT).

The Explanatory Memorandum forms part of this Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 - Adoption of Remuneration Report
Section 5:	Resolution 2 - Election of Director – Ms Christine Feldmanis
Section 6:	Resolution 3 - Re-election of Director – Mr Michael Kay
Section 7:	Resolution 4 - Approval of LTIP Amendments
Section 8:	Resolution 5 - Approval for the issue of Performance Rights to Mr Andrew Saker Resolution 6 - Approval for the issue of Performance Rights to Mr Hugh McLernon
Section 9:	Resolution 7 - Approval of retirement benefits to Mr Andrew Saker under his employment contract
Section 10	Resolution 8 - Approval of Indemnified Persons' Deeds of Indemnity, Insurance and Access
Schedule 1:	Definitions
Schedule 2:	Summary of the Rules of the IMF Bentham Limited LTIP

A Proxy Form is enclosed with this Notice.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Notice, including the Explanatory Memorandum, carefully before deciding how to vote on the Resolutions.

A Proxy Form is enclosed with this Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and

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encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions on the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. ANNUAL REPORT

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report. The Annual Report is available online at <http://www.imf.com.au/shareholders/financial-reports>.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will also be offered the opportunity to:

- (a) ask questions about, or comment on, the management of the Company; and
- (b) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting by emailing them to legal@imf.com.au. Please note that each question will not necessarily be individually addressed at the Meeting or answered individually after the Meeting.

4. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

4.1 General

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Remuneration Report is set out in pages 50 to 58 of the Annual Report and outlines the Company's remuneration framework.

It is key to the Company's performance and success that its remuneration structure attracts, motivates and retains highly skilled senior employees. With this in mind, the Company's variable remuneration framework, which was first implemented in the 2016 Financial Year, includes both short term and long term incentives. The LTIP and the STIP were designed to align executive reward and Shareholder value and to incentivise achievement of the Company's business strategy over the longer term.

Financial results this year are reflective of the Company executing its commitment to the long term growth and development of the business and its position in the midpoint of its 5 year strategic plan. This year the Company actioned key elements of that transition strategy and understandably, the Company's actions had a financial impact for the 2018 Financial Year.

Although the Company reported a net loss in its P&L this year, over the past five years the Company has generated the best operating cashflow before new investments and the second-best free cashflow after investments. The achievement reflects that the Company is transitioning to a capital light position, as it can grow investments materially, without using all of its own cash. The Company experienced a significant increase in net assets during the period, reflecting a material increase in investments and a material decrease in deferred tax liability.

A summary of the components of the Company's remuneration framework is provided below. The Directors refer you to the Remuneration Report for further information.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report at the Meeting.

The Directors recommend that Shareholders vote **IN FAVOUR** of Resolution 1.

4.2 Variable Remuneration

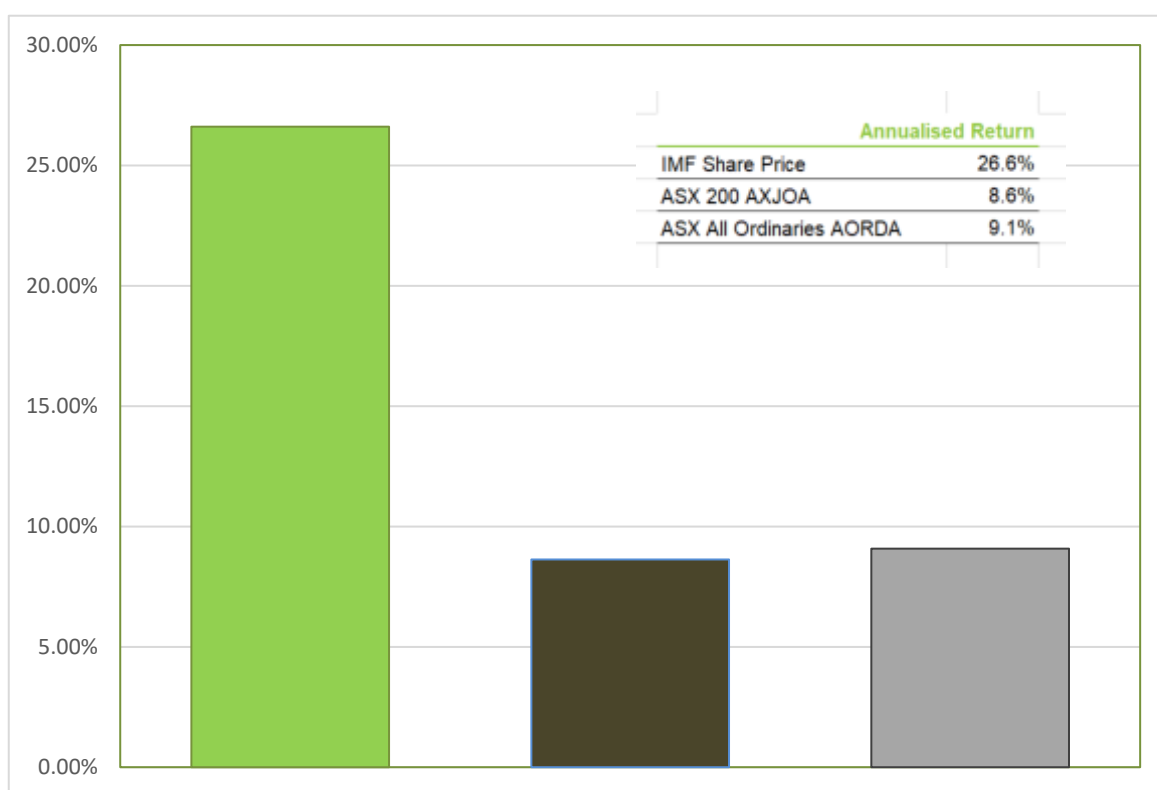
The Company's variable remuneration framework (comprising the "at risk" component of remuneration) has been designed such that it is directly linked to Company performance, which is measured by reference to objectives and key performance indicators.

The STIP is linked to specific financial and non-financial measures. The Company's reported results for the 2018 Financial Year, which reflected the Company's final phases of its business strategy transition, resulted in no STIP being awarded to senior staff, notwithstanding the achievement of some major strategic milestones.

The LTIP complements the STIP as it is tied to the long term performance of the Company. The LTIP is designed to directly align the interests of Shareholders and key people within the business. Participants were issued with a number of Performance Rights in respect of the 2016 Financial Year, the 2017 Financial Year and the 2018 Financial Year determined by reference to their Total Fixed Remuneration and the Company VWAP at the commencement of such periods. Performance Rights only vest if certain pre-determined performance conditions are achieved within a three year performance period. The performance conditions have been carefully devised to reward the creation of Shareholder value, motivating Participants to work collectively to achieve positive results for the Company and Shareholders.

The three year performance assessment period for the Performance Rights issued in respect of the 2016 Financial Year ended on 30 June 2018. The performance conditions were fully satisfied, with IMF ranking above 75% within the applicable Comparator Group and achieving a compound annual growth rate in its investment portfolio in excess of the 7% hurdle. As a result, the related Performance Rights, save for those which lapsed following holders ceasing employment with the Group, fully vested in August and the Company issued 3,565,471 Shares in satisfaction of such vested rights.

As noted above, the LTIP is premised upon creating an alignment of interests between senior employees and Shareholders. The evidence, at least from this first round of Performance Rights to be assessed for vesting, is that the performance conditions are well aligned to shareholder outcomes. Over the applicable performance period, being 1 July 2015 to 30 June 2018, IMF's declared aggregate dividend was 17.5 cents per share. By way of comparative analysis, IMF materially outperformed the major indices on an annualised basis over this period, as detailed below:



Source: Thomson Reuters

As further Performance Rights come up for assessment each year, the Board will closely monitor the on-going alignment between shareholder and participant outcomes in order to ensure that the LTIP performance conditions are optimally aligned to shareholder interests.

4.3 Fixed Remuneration

The LTIP and the STIP are intended to complement the fixed component of the Company's remuneration framework. The fixed remuneration component for Key Management Personnel and senior employees (including investment professionals) is reviewed annually by the Remuneration Committee and determined having regard to the private practice professional services market within which the Company competes for talent. The majority of investment professionals employed by the Company are most comparable to partners in private practice professional services business.

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4.4 Effect of the vote

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2017 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2019 annual general meeting, this may result in the re-election of the Board.

5. RESOLUTION 2 - ELECTION OF DIRECTOR – CHRISTINE FELDMANIS

In line with the Board's aim of periodic refreshment and skill diversification, the Board was delighted to welcome Ms Christine Feldmanis to join the Board as a non-executive Director with effect from 1 November 2018. Ms Feldmanis brings with her a wealth of executive, financial and regulatory experience, coupled with significant non-executive director expertise.

Ms Feldmanis holds a Bachelor of Commerce (majoring in Accountancy) and a Master of Applied Science and has more than 30 years' experience in the financial sector, both government and private. She has extensive experience in investment management, finance, accounting and risk management, legal and regulatory compliance, governance and business building in both listed and unlisted financial product markets. Ms Feldmanis formerly held senior executive and C suite positions with firms including Elders Finance, Bankers Trust, NSW TCorp and Treasury Group.

Ms Feldmanis is currently a director of ASX listed Perpetual Equity Investment Company (ASX Code: "PIC"). She is also a director of FIIG Securities Limited, Uniting Financial Services, Foodbank NSW & ACT Limited and Bell Asset Management Limited.

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

Article 6.2(b) of the Constitution allows the Directors to appoint a person as a Director at any time, provided that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Ms Feldmanis was appointed by the Board as an additional Director with effect from 1 November 2018.

Article 6.3(j) provides that a director appointed under Article 6.2(b) must retire at the Company's annual general meeting and is eligible for re-election.

Resolution 2 therefore provides that Ms Feldmanis retires from office and seeks election as a Director pursuant to article 6.3(j) of the Constitution.

If elected, Ms Feldmanis will continue to be a member of the Audit & Risk Committee, the Corporate Governance Committee, the Nomination Committee and the Remuneration Committee.

The Company believes Ms Feldmanis is independent due to her capacity to bring an independent judgment on Company issues and act in the best interests of the Company and Shareholders.

The Board (excluding Ms Feldmanis) supports the election of Ms Feldmanis and recommends that Shareholders vote **IN FAVOUR** of Resolution 2.

6. RESOLUTION 3 - RE-ELECTION OF DIRECTOR – MR MICHAEL KAY

In accordance with Listing Rule 14.4, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Article 6.3 of the Constitution requires one third of all Directors, or if their number is not a multiple of three, then the number nearest one-third (rounded down to the nearest whole number) to retire at each annual general meeting. Article 6.3 of the Constitution also states that a Director who retires under article 6.3 is eligible for re-election.

Resolution 3 provides that Mr Michael Kay retires by rotation and seeks re-election as a Director.

Mr Kay was appointed the Company's Non-Executive Chairman on 1 July 2015. Mr Kay holds a Bachelor of Laws degree from the University of Sydney. Mr Kay brings a wealth of commercial experience to the Company. Most recently he was Chief Executive Officer and managing director of listed salary packaging company McMillan Shakespeare Ltd, a position he held for six years. Previously, Mr Kay had been CEO of national insurer AAMI after serving in a variety of senior roles with that company. Prior to joining AAMI he had spent 12 years in private legal practice. Mr Kay is a non-executive director of RAC Insurance Pty Ltd, chairman and non-executive director of Lovisa Holdings Limited and chairman and executive director of ApplyDirect Limited. During the last three years, Mr Kay has not served as a director of any listed company other than IMF, Quintis Limited, Lovisa Holdings Limited, ApplyDirect Limited and McMillan Shakespeare Ltd.

Mr Kay is a member of the audit and risk committee, remuneration committee, corporate governance committee and nomination committee and, if elected, will continue to be a member of those committees.

The Company believes Mr Kay is independent due to his capacity to bring an independent judgment on Company issues and act in the best interests of the Company and Shareholders.

The Board (excluding Mr Kay) supports the re-election of Mr Kay and recommends that Shareholders vote **IN FAVOUR** of Resolution 3.

7. RESOLUTION 4 – APPROVAL OF LTIP AMENDMENTS

7.1 Background

The Company has adopted the LTIP under which Eligible Participants are offered the opportunity to apply for Performance Rights to attract, motivate and retain such persons and provide them with an incentive to deliver growth and value to all Shareholders.

The Company currently has on issue as at 8 October 2018:

- (a) 1,775,145 Performance Rights in respect of the 2016 Financial Year (**FY16 Rights**);
- (b) 5,366,677 Performance Rights in respect of the 2017 Financial Year (**FY17 Rights**);
- (c) 4,953,904 Performance Rights in respect of the 2018 Financial Year (**FY18 Rights**).

The FY16 Rights had a performance period of 1 July 2015 to 30 June 2018 and an expiry date of 30 June 2030. The FY16 Rights have vested and participants may exercise their FY16 Rights at

any time. Of the total number of FY16 Rights issued (being 4,811,086), a total of 4,125,409 vested and 2,350,264 were exercised.

The FY17 Rights have a performance period of 1 July 2016 to 30 June 2019 and an expiry date of 30 June 2031. The FY18 Rights have a performance period of 1 July 2017 to 30 June 2020 and an expiry date of 1 July 2032.

Since the prior approval of the LTIP at the general meeting held on 24 November 2017, the Board has since approved an amendment to the LTIP Rules (**LTIP Amendments**). In summary, the key LTIP Amendments are:

- (a) amending the formula for the number of Performance Rights which an Eligible Participant may be invited to apply for by the Nomination Committee:
 - (i) with Executive Managers (who elect to be removed from the short term incentivisation plan) eligible to receive up to 100% of their annual base salary; and
 - (ii) all other Eligible Participants eligible to receive up to 60% of their annual base salary;
- (b) clarifying that an unvested Performance Right lapses on the earlier of the date of issue of a lapse notice or otherwise in accordance with other circumstances under the LTIP Rules (e.g. fraud, ceasing to be an Eligible Participant or an approved leave of absence); and
- (c) clarifying that, during an approved leave of absence of an Eligible Participant, the Remuneration Committee may take into account any ex gratia unpaid leave period during the relevant Financial Year by:
 - (i) reducing the number of Performance Rights offered on a pro-rata basis; or
 - (ii) if Performance Rights were issued within the Financial Year prior to the period of unpaid leave, cause a pro rata number of the issued Performance Rights to lapse.

The Board considers the changes to be appropriate and consistent with maintaining the alignment between the LTIP incentivisation and long term Shareholder interests. Specifically, the Group's average investment period is 2.6 years¹ and therefore there is natural alignment for Executive Managers to have their 'at risk' remuneration component determined over a commensurate period. As noted in respect of Resolutions 5 and 6 below, Mr Saker and Mr McLernon, as the two executive Directors of the Company, have each elected, subject to Shareholder approval, to be removed from the short term incentivisation plan in favour of 100% of their 'at risk' remuneration being pursuant to the LTIP.

The Company is seeking to renew the approval of the LTIP (as amended by the LTIP Amendments) and the Company's ability to issue Performance Rights as an exception to Listing Rule 7.1, for a period of a further 3 years from the date on which Resolution 4 is passed.

A summary of the LTIP Rules (including the LTIP Amendments) is in Schedule 2. A copy of the LTIP Rules can be obtained by contacting the Company.

The Board (excluding those Directors entitled to participate in the LTIP) recommends that Shareholders vote **IN FAVOUR** of Resolution 4.

¹ As at 30 June 2018

7.2 Section 260C(4) of the Corporations Act

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

Section 260C of the Corporations Act provides for certain specific instances of exempted financial assistance, including a special exemption under section 260C(4) for employee share schemes that have been approved by a resolution passed at a general meeting of the company.

To the extent that the Company provides funds to the trustee of an employee share trust to acquire Shares (and pay associated costs) on behalf of participants under the LTIP, the Company will be providing financial assistance for the purposes of section 260A.

Whilst the Board does not believe that the provision of this financial assistance will materially prejudice the interests of the Company or its shareholders or the Company's ability to pay its creditors, the Board has recommended that the shareholders approve the LTIP to ensure that the LTIP qualifies for the special exemption under section 260C(4) of the Corporations Act and for all other purposes of any other relevant provisions of the Corporations Act.

7.3 Listing Rule 7.1 and Listing Rules 7.2, Exception 9(b)

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 without shareholder approval.

Listing Rule 7.2, Exception 9(b) provides an exception to Listing Rule 7.1 by which Equity Securities issued under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

7.4 Specific information required by Listing Rule 7.2

In accordance with Listing Rule 7.2, Exception 9(b), the following information is provided in relation to the LTIP Amendment:

- (a) The material terms of the LTIP (including the LTIP Amendment) are summarised in Schedule 2.
- (b) The date of the last approval under Listing Rule 7.2, Exception 9(b) with respect to the LTIP was 24 November 2017.
- (c) Since the LTIP was approved by Shareholders on 24 November 2017, a total of 5,122,146 Performance Rights have been issued to Participants under the LTIP, of which 168,242 have lapsed, zero have vested and zero have converted into Shares.
- (d) A voting exclusion statement is included in the Notice for Resolution 4.

8. RESOLUTIONS 5 AND 6 - APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS TO MR ANDREW SAKER AND MR HUGH MCLERNON UNDER THE LTIP

8.1 General

Resolutions 5 and 6 seek Shareholder approval in accordance with Listing Rule 10.14, Listing Rule 10.19 and section 200E of the Corporations Act for the grant of Performance Rights in accordance with the LTIP to Messrs Andrew Saker and Hugh McLernon respectively over the three year period commencing from the date of the Meeting, which will cover LTIP awards for the Financial Years ending on 30 June 2019 (**FY19**), 30 June 2020 (**FY20**) and 30 June 2021 (**FY21**).

The LTIP was approved by Shareholders at the annual general meeting of the Company in 2015, with 2016 being the first year of its implementation.

The formula used to calculate the number of Performance Rights to be granted to Messrs Saker and McLernon under the LTIP will be determined by multiplying their respective total fixed remuneration (being the fixed base salary plus, if applicable, superannuation but excluding any other monetary benefits including any incentive awards) (**Total Fixed Remuneration**) by 1 and dividing the product by the VWAP of all Shares in the Company on issue during, and calculated over, the five days immediately prior to, and ending on, 30 June of the Financial Year immediately preceding the Financial Year in which the Performance Rights are to be issued (**Company VWAP**). The number of Performance Rights proposed to be issued to each of Messrs Saker and McLernon will be calculated in accordance with this formula.

In accordance with the above formula, the number of Performance Rights that may be issued to each of Messrs Saker and McLernon (or their nominees) in respect of FY19 is as follows:

Table A

Participant	Total Fixed Remuneration	Company VWAP ⁽¹⁾	No of Performance Rights ⁽²⁾
Andrew Saker	\$1,220,049	\$2.9710	410,653
Hugh McLernon	\$1,150,000	\$2.9710	387,075

Notes:

(1) Company VWAP for the Financial Year ending 30 June 2018

(2) Subject to rounding

As at the date of this Notice, it will not be possible to determine the maximum number of Performance Rights to be issued to Messrs Saker and McLernon in respect of FY20 and FY21 because it is not possible to determine at this time the applicable Company VWAP in respect of those periods.

For the purposes of calculating the number of Performance Rights to be issued to Messrs Saker and McLernon for FY20 and FY21, the Total Fixed Remuneration variable will be the amount based on their respective FY19 Total Fixed Remuneration (as described in the table above) and will remain unchanged in respect of FY20 and FY21. If Messrs Saker and McLernon's Total Fixed Remuneration for any subsequent years is more than FY19, the Company will (if required) seek shareholder approval for such number of additional Performance Rights that may be issued as a result of the increase in the Total Fixed Remuneration.

Set out below are worked examples of the number of Performance Rights that may be issued to Messrs Saker and McLernon (or their nominees) per year based on hypothetical Company VWAP prices of \$2.22, \$2.72 and \$3.22 and the dilutionary effect on Shareholders based on the following assumptions:

- Performance Rights are issued based on the assumed VWAP;
- the maximum number of Performance Rights are taken up by the Participant;

- the vesting conditions under the LTIP are met in full and all of the Performance Rights vest and the Participant exercises those Performance Rights;
- dilution effect calculations are based on 177,428,748 being the current number of Shares on issue as at 1 October 2018; and
- no further Shares are issued.

Table B

Participant	Assumed VWAP (\$)	Maximum number of Performance Rights Participant entitled to apply for ⁽³⁾	Number of Shares issued if Performance Rights vest ⁽³⁾	Dilution effect on existing Shareholders
Andrew Saker ⁽¹⁾	\$2.22	549,572	549,572	0.309%
	\$2.72	448,547	448,547	0.252%
	\$3.22	378,897	378,897	0.213%
Hugh McLernon ⁽²⁾	\$2.22	518,018	518,018	0.291%
	\$2.72	422,794	422,794	0.238%
	\$3.22	357,143	357,143	0.201%

Notes:

- (1) Total Fixed Remuneration as at FY2018 of \$1,220,049.
(2) Total Fixed Remuneration as at FY2018 of \$1,150,000.
(3) Subject to rounding.

The Company has obtained a waiver from ASX in respect of Listing Rule 10.15A.2 to permit this Notice not to state the maximum number of Performance Rights that may be acquired by Messrs Saker and McLernon in respect of the Financial Years ending on 30 June 2019, 30 June 2020 and 30 June 2021 on the basis that this Notice sets out the formula and method by which the number of Performance Rights that may be acquired will be calculated.

The satisfaction of the LTIP performance conditions is determined by the Remuneration Committee in accordance with the terms and conditions of the LTIP Rules. Vesting of Performance Rights is contingent on performance against the Company's TSR and Funds Deployed CAGR over a three year period (see item 6 of Schedule 2 for further details). As soon as practicable after the End Date (being the last day of the Performance Period), the Remuneration Committee will determine to what extent the LTIP performance conditions have been satisfied and if the LTIP performance conditions have been satisfied, shall determine whether a Performance Right has vested or lapsed by the applicable vesting matrix (see item 7 of Schedule 2 for further details).

The LTIP Rules provide the Remuneration Committee with the discretion to permit, in circumstances where the Participant is a 'good leaver', up to a pro rata number (based on the proportion of the relevant Performance Period completed) of such Participant's unvested Performance Rights to vest or continue to be held by the Participant (**Potential Retirement Benefits**).

The Board considers that the grant of Performance Rights to Mr Saker and Mr McLernon in accordance with the LTIP is a cost effective and efficient reward for the Company to make to appropriately incentivise their respective continued performance and is consistent with the strategic goals and targets of the Company.

A summary of the LTIP Rules (including the LTIP Amendment) is in Schedule 2. A copy of the LTIP Rules can be obtained by contacting the Company.

The passing of Resolutions 5 and 6 are subject to Resolution 4 being approved by Shareholders.

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The Directors (other than Mr Saker and Mr McLernon) recommend that Shareholders vote **IN FAVOUR** of Resolutions 5 and 6.

8.2 Chapter 2E of Corporations Act

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

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

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

The issue of Performance Rights constitutes giving a financial benefit as Mr Saker and Mr McLernon are related parties of the Company by reason of being Directors.

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of the Performance Rights pursuant to section 208 of the Corporations Act.

8.3 Section 200B of Corporations Act

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the Company or its related bodies corporate. A person who holds a managerial or executive office includes a member of Key Management Personnel. Mr Saker and Mr McLernon are both Key Management Personnel.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

A benefit includes automatic, or accelerated, vesting of share-based payments for a person or the exercise of discretion to allow a person to maintain a benefit they would not otherwise be entitled to retain, on, or as a result of, retirement from their position of employment in the Company.

The Board has formed the view that the Potential Retirement Benefits may constitute a benefit for the purposes of section 200B of the Corporations Act.

Accordingly, Resolutions 5 and 6 seek Shareholder approval for the purposes of section 200E for Potential Retirement Benefits which may arise in relation to any Performance Rights issued to Mr Saker and Mr McLernon in respect of the 2018 Financial Year.

8.4 Specific information required by section 200E of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The value of the benefit relating to any Performance Rights held by Mr Saker or Mr McLernon which may arise in connection with their retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- (i) the number of Performance Rights held prior to ceasing employment;
 - (ii) the circumstances of or reasons for ceasing employment with the Company;
 - (iii) the length of service with the Company and performance over that period of time;
 - (iv) any other factors that the Remuneration Committee determines to be relevant when exercising its discretion to provide Potential Retirement Benefits to Mr Saker or Mr McLernon;
 - (v) the market price of the Company's Shares on ASX at the relevant time; and
 - (vi) the risk free rate of return in Australia and the estimated volatility of the Company's Shares on ASX at the relevant time.
- (b) The Company will calculate the value of the benefit at the relevant time based on the above factors and using the Black Scholes and Monte Carlo pricing models to value the Performance Rights.

8.5 Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of the termination benefit payable to Mr Saker or Mr McLernon depends on a number of factors, including the Remuneration Committee exercising its discretion under the LTIP to allow the provision of Potential Retirement Benefits. It also depends on the value of the Company's equity interests which vary over time. Accordingly, it is possible that the provision of the benefit associated with the acceleration of the vesting of Performance Rights may exceed 5% of the equity interests of the Company at the relevant time.

8.6 Listing Rule 10.14

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.

Resolutions 5 and 6 are being put to Shareholders to seek approval for the issue of Performance Rights to Mr Saker and Mr McLernon pursuant to Listing Rule 10.14.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Performance Rights to Mr Saker and Mr McLernon as approval is being obtained under Listing Rule 10.14. Accordingly, the issue of the Performance Rights to Mr Saker and Mr McLernon will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

8.7 Specific information required by Listing Rule 10.15A

- (a) Subject to the terms of the LTIP, Performance Rights will be granted to Messrs Saker and McLernon (or their respective nominees, as applicable), who are Directors.
- (b) Pursuant to the current terms of the LTIP, the maximum number of Performance Rights Messrs Saker and McLernon may be invited to apply for and which may be issued is

determined by multiplying their Total Fixed Remuneration by 1 and dividing the product by the Company VWAP as at 30 June of the Financial Year preceding the Financial Year to which the Invitation applies. The number of Performance Rights that may be issued to each of Messrs Saker and McLernon in respect of FY19 is set out in Table A at section 8.1. At the date of the Notice, the number of Performance Rights that may be issued for FY20 and FY21 cannot be calculated at the date of this Notice because the Company VWAP in respect of those years will not be known until the conclusion of the 30 June 2019 and 30 June 2020 Financial Years. The Total Fixed Remuneration variable will remain unchanged from the figures provided in the Table A of section 8.1 for the purpose of calculating the number of Performance Rights to be issued to Messrs Saker and McLernon in respect of FY20 and FY21.

- (c) Subject to the terms of the LTIP, the Performance Rights to be issued to Mr Saker and Mr McLernon will be granted for no consideration. The Performance Rights to be issued to Mr Saker and Mr McLernon will have no exercise price.
- (d) The Directors who have received Performance Rights under the LTIP since its last approval in 2017 are:
 - (i) Mr Saker, who was granted 420,104 Performance Rights in respect of the 2018 Financial Year; and
 - (ii) Mr McLernon, who was granted 395,984 Performance Rights in respect of the 2018 Financial Year; and

All of the above Performance Rights had a nil acquisition price.

- (e) Pursuant to the rules of the LTIP, only Eligible Participants (including Directors) are entitled to participate in the LTIP. Mr Saker and Mr McLernon are Eligible Participants for these purposes.
- (f) Any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the LTIP after Resolutions 5 and 6 are approved and who are not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (g) No loan will be made to Mr Saker or Mr McLernon in relation to the acquisition of Performance Rights or Shares under the LTIP.
- (h) Each annual report of the Company relating to a period in which Performance Rights or Shares have been issued to, or acquired by, a Director, an associate of a Director or other person referred to in Listing Rule 10.14 under the LTIP will include:
 - (i) details of any such issue or acquisition; and
 - (ii) a statement that approval for the issue or acquisition of those Performance Rights or Shares to those persons was obtained under Listing Rule 10.14.
- (i) The Company will grant the Performance Rights to Messrs Saker and McLernon no later than 3 years after the date of the Meeting or such longer period of time as ASX allows.
- (j) A voting exclusion statement is included in the Notice for Resolutions 5 and 6.

9. RESOLUTION 7 – APPROVAL FOR THE PROVISION OF RETIREMENT BENEFITS TO MR ANDREW SAKER UNDER HIS EMPLOYMENT CONTRACT

9.1 General

The Company entered into an Executive Services Agreement with Mr Andrew Saker on 12 June 2014 prior to his appointment as Managing Director (**Executive Services Agreement**). The Company and Mr Saker recently agreed to vary the terms of the Executive Services Agreement as announced to the ASX on 7 September 2018. Mr Saker commenced employment with the Company as Managing Director on 5 January 2015.

The Executive Services Agreement provides for certain benefits to be provided to Mr Saker upon the termination of his employment. The particular benefits due to Mr Saker vary depending upon the circumstances of his cessation of employment and are detailed below. The Board considers that the retirement benefits package is appropriate and commensurate with Mr Saker's role as Chief Executive Officer and Managing Director of the Company.

Mr Saker, through the recent amendment to the Executive Services Agreement, has foregone his prior right to retain certain Performance Rights should he resign in the ordinary course on standard notice. As a consequence, there has been a contraction of the retirement benefits available to Mr Saker pursuant to the Executive Services Agreement. If Mr Saker's employment terminates as a result of:

- (a) the provision of 6 months' written notice by IMF;
- (b) the provision of immediate notice by Mr Saker following the Company committing an unremedied serious or persistent breach of the Executive Services Agreement;
- (c) the provision of 3 months' notice by Mr Saker following the occurrence of a material diminution in Mr Saker's role;
- (d) the provision of notice by either Mr Saker or IMF following Mr Saker suffering an illness and, as a consequence, Mr Saker is unable to fulfil his duties for a continuous period exceeding 3 months or separate periods totalling more than 3 months in any 12 month period; or
- (e) Mr Saker's position being made redundant,

Mr Saker shall, subject to the approval of Resolution 7, be entitled to:

- (f) a payment equal to the Base Remuneration for a twelve month period (less any income tax or other deductions required by law and less any payment in lieu of notice;
- (g) any statutory entitlements accrued to the date of termination of Mr Saker's employment; and
- (h) a payment, or payments, equal to the Deferred Amounts (if any).

The Deferred Amounts are calculated by reference to the number of Shares Mr Saker would have received if he had retained from each tranche of unvested Performance Rights, the Maximum Good Leaver Proportion (which lapse upon Mr Saker's termination of employment) multiplied by the 5 day VWAP calculated as at the date such Performance Rights would have vested had they continued to have been held.

For the avoidance of doubt, the Deferred Amounts will only become due and payable in circumstances where such Performance Rights would have vested in accordance with their terms during the applicable performance period had they continued to have been held.

If Mr Saker's employment terminates as a result of:

- (a) the provision of 12 months' written notice by Mr Saker;
- (b) the provision of 6 months' notice by Mr Saker following the failure by the Company to provide adequate D&O insurance;
- (c) the provision of 6 months' notice by Mr Saker following the failure by the Company to obtain shareholder approval for retirement benefits provided under the Executive Services Agreement; or
- (d) the provision of immediate notice by the Company following serious misconduct by Mr Saker,

Mr Saker will be entitled to payment of any statutory entitlements accrued to the date on which he ceases to be employed by the Company (but not the entitlements detailed in Section 9.1(f) or 9.1(h) above.

The Company is seeking shareholder approval for the purposes of section 200E of the Corporations Act.

The Board (excluding Mr Saker) recommends that Shareholders vote **IN FAVOUR** of Resolution 7.

9.2 Section 200B of Corporations Act

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position of employment in the Company or its related bodies corporate. A person who holds a managerial or executive office includes a member of Key Management Personnel such as Mr Saker.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

The Board has formed the view that the retirement benefits may constitute a benefit for the purposes of section 200B of the Corporations Act.

Accordingly, Resolution 7 seek Shareholder approval for the purposes of section 200E of the Corporation Act for all retirement benefits that may be provided to Mr Saker.

9.3 Specific information required by section 200E of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The value of any retirement benefit provided to Mr Saker which may arise in connection with his retirement from a managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:
 - (i) the circumstances of or reasons for ceasing employment with the Company;
 - (ii) the length of service with the Company and the performance over that period of time;

- (iii) base remuneration for a twelve month period, inclusive of any payment in lieu of notice to Mr Saker; and
- (iv) any payments of Deferred Amounts (if any).

9.4 Listing Rule 10.19

Listing Rule 10.19 provides that without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company is also seeking Shareholder approval for the purposes of Listing Rule 10.19. The value of any termination benefit payable to Mr Saker depends on a number of factors, including the factors detailed in Section 9.3. Accordingly, it is possible that the provision of the benefit associated with the acceleration of the vesting of Performance Rights may exceed 5% of the equity interests of the Company at the relevant time.

10. RESOLUTION 8 – APPROVAL OF INDEMNIFIED PERSONS’ DEEDS OF INDEMNITY, INSURANCE AND ACCESS

10.1 General

Each of the following persons have or will enter into a deed of indemnity, insurance and access with the Company (**Deed of Indemnity, Insurance and Access**):

- (a) Christine Feldmanis (Non-Executive Director);
- (b) Christopher Young (Chief Compliance Officer);
- (c) Allison Chock (Chief Investment Officer, USA); and
- (d) Stuart Mitchell (Chief Financial Officer),

(collectively, the **Indemnified Persons**).

It is generally recognised that an officer or former officer of a company may face considerable difficulty in properly answering or defending any claim made against him or her, particularly, as is often the case, the claim is brought after the officer ceases to hold office. Difficulties may arise by reason of the following:

(a) No indemnity after cessation of Office

While a company's constitution provides officers with an indemnity in respect of claims made while they hold office, the indemnity arguably ceases if they cease to hold office and does not extend to cover roles as an officer of a body corporate associated with the company. Without the benefit of an indemnity, the cost of defending such a claim in respect of the actions of an officer or former officer, even if the claim is ultimately proven to be without merit, can be considerable and beyond the financial resources of the individual officer.

(b) Maintenance of insurance policies

Officers' insurance policies generally only provide cover for claims made during the currency of the insurance policy. Generally, unless insurance premiums continue to be paid after the time the officer ceases to hold office, claims made after cessation of office

will not be covered by the insurance policy. The cost to a former officer of personally maintaining insurance cover after ceasing to hold office can be prohibitive, particularly given the number of years for which insurance must be maintained and given the former officer is unlikely to be receiving income from the company.

(c) **Access to Board papers**

In accordance with section 198F of the Corporations Act, officers have a right to inspect the books of the Company:

- (i) whilst they hold office; and
- (ii) for seven years after ceasing to hold office,

at all reasonable times for the purposes of a legal proceeding to which the officer is a party, that the officer proposes in good faith to bring or that the officer has reason to believe will be brought against him or her.

Despite this statutory right, officers may require access to company documents which are relevant to the officer's office and not strictly required for the purpose of anticipated, threatened or commenced legal proceedings. Furthermore, although a proceeding may be instituted within six years after a cause of action arises, that six-year period is calculated from the date the damage is found to have occurred – this may be long after the conduct which allegedly caused the damage occurred.

Given these difficulties, a person may be unwilling to become or to remain as an officer of a company without suitable protection being provided by the company. The benefit to such company in providing such protection is that it will continue to be able to attract persons of suitable expertise and experience to act as officers.

The Directors of the Company (other than Ms Feldmanis) each of whom has no interest in the outcome of Resolution 8, recommends Shareholders vote in favour of Resolution 8 as they consider, given the duties and responsibilities of each Indemnified Person, they should be suitably protected from certain claims made against them in relation to the period of their office.

10.2 Summary of the Deed of Indemnity, Insurance and Access

The Company have or will enter into Deeds of Indemnity, Insurance and Access which require:

- (a) the Company to indemnify each Indemnified Person during their Office and after the cessation of that Office, in respect of certain claims made against that Indemnified Person in relation to the period of their Office to the extent allowable under the Corporations Act;
- (b) the Company to use its reasonable endeavours (subject to cost and availability) to maintain an insurance policy and pay the premiums of insurance as assessed at market rates for each Indemnified Person to the extent available under the Corporations Act, in respect of certain claims made against him or her in relation to the period of his or her Office (except to the extent such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company) and to continue to pay those premiums for a period of up to seven years following the termination of their Office; and
- (c) the Company to provide each Indemnified Person with access, upon ceasing to hold Office and for a period of up to seven years following that cessation, to any Group entity records which are either prepared by or provided to the Indemnified Person during the Retention Period.

10.3 Summary of indemnity and insurance provisions in the Corporations Act

In considering Resolution 8, please note the following limitations in the Corporations Act concerning the provision of indemnities and insurance to company officers. The Deeds of Indemnity, Insurance and Access for which Shareholder approval is sought under Resolution 8 comply with these limitations.

(a) **Section 199A of the Corporations Act**

The Corporations Act sets out specific prohibitions to the Company's ability to grant indemnities for liabilities and legal costs.

The Company is prohibited from indemnifying its Officers against a liability if it is a liability:

- (i) to the Company and any of its related bodies corporate;
- (ii) to a third party that arose out of conduct involving a lack of good faith; or
- (iii) for a pecuniary penalty order or a compensation order under the Corporations Act (such orders being made for breaches such as breaches of officer's duties, the related party rules and insolvent trading rules).

The Company is also prohibited from indemnifying its Officers against legal costs incurred:

- (i) in defending actions where an officer is found liable for a matter for which he or she cannot be indemnified by the Company as set out immediately above;
- (ii) in defending criminal proceedings where the Officer is found guilty;
- (iii) in defending proceedings brought by the Australian Securities and Investments Commission or a liquidator for a court order if the grounds for making the order are found by the court to be established; or
- (iv) in connection with proceedings for relief to the officer under the Corporations Act where the court denies the relief.

(b) **Section 199B of the Corporations Act**

If the Company, or a related body corporate of the Company, pays the premium on an insurance policy in favour of an Officer, section 199B of the Corporations Act requires the Company to ensure that the relevant contract of insurance does not cover liabilities incurred by the Officer arising out of conduct involving either:

- (i) a wilful breach of duty in relation to the Company; or
- (ii) contravention of the provisions relating to an Officer making improper use of information or improper use of his or her position for his or her advantage or gain, or to the detriment of the Company.

10.4 Shareholder approval

Resolution 8 seeks Shareholder approval in accordance with the following provisions of the Corporations Act:

(a) **Section 200B of the Corporations Act**

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a person's retirement from an office, the Company must obtain shareholder approval in the manner set out in section 200E of the Corporations Act.

The Board has considered that as the:

- (i) proposed payment of insurance premiums;
- (ii) benefit of the indemnity in relation to liabilities incurred during the period an Officer holds Office; and
- (iii) Officer's access to Group entity records,

continue for a period of up to seven years after the Officer ceases to hold Office, each may be viewed as the provision of a benefit given "in connection with" the officer's retirement for the purposes of section 200B of the Corporations Act.

(b) **Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

For the purposes of section 208 of the Corporations Act, certain Indemnified Persons are considered to be a related party of the Company.

The provision of insurance and indemnity to certain Indemnified Persons may involve the provision of a financial benefit to related parties of the Company within the prohibition in Chapter 2E of the Corporations Act. The Directors consider that the payment of insurance premiums and the provision of indemnities by the Company are "reasonable in the circumstances" of the Company and therefore (in respect of the indemnities and payment of insurance premiums with regard to the liabilities of Indemnified Persons incurred as Officers of a Group entity) fall within an exception to the prohibition in Chapter 2E of the Corporations Act. Nonetheless, the Directors seek Shareholder approval, given the indemnities and payment of insurance premiums extend to the liabilities of Indemnified Persons in their capacity as Officers of any Group entity and the Company considers that the reasonable nature of the provision of any indemnity or insurance is an appropriate matter for the Shareholders.

(c) In accordance with sections 200E and 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed Resolution:

- (i) The Company has taken out an insurance policy which will provide insurance cover for each Indemnified Person against all permitted liabilities incurred by the Indemnified Person acting as an Officer of any Group entity (except to the extent such insurance cannot be procured at a reasonable cost or its otherwise unavailable to the Company).
- (ii) The insurance premiums payable will be calculated at market rates applicable from time to time.

- (iii) Ms Feldmanis is a related party of the Company to whom the proposed Resolution would permit the giving of a benefit.
- (iv) The nature of the benefit to be given to each Indemnified Person is the benefit under the Deeds of Indemnity, Insurance and Access, the terms of which are summarised in Section 10.2 above.
- (v) The reasons and basis for the benefit are set out in Section 10.1 above.
- (vi) Ms Feldmanis was appointed by the Board on 20 September 2018 with the appointment to take effect from 1 November 2018. Ms Feldmanis' remuneration as a director of the Company is AU\$100,000 per year. Ms Feldmanis does not hold any securities in the Company.
- (vii) The Board (other than Ms Feldmanis) considers it appropriate to make a recommendation to Shareholders about the proposed Resolution.
- (viii) Neither the Board nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the benefits contemplated by this Resolution.

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Schedule 1 - Definitions

In this Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Annual Report means the annual report prepared for the Company and its controlled entities under section 314 of the Corporations Act in respect of the Financial Year ending on 30 June 2018.

Application means an application by an Eligible Participant in response to an Invitation in such form as shall be prescribed in the applicable Invitation.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means IMF Bentham Limited (ABN 45 067 298 088).

Company's TSR means the total shareholder return of the Company over the Performance Period calculated as follows:

$$\frac{((\text{End Date Share Price} - \text{Start Date Share Price}) + \text{Gross Dividends})}{\text{Start Date Share Price}} \times 100$$

Company VWAP means the VWAP of fully paid ordinary shares in the capital of the Company on issue during, and calculated over, the five days immediately prior to, and ending on, the applicable date.

Comparator Group means such companies or entities, being not less than 6, selected by the Remuneration Committee with effect from the applicable Start Date, and each being in the diversified financial industry sector, listed on ASX and having a market capitalisation of between 50% and 200% of the Company's market capitalisation on the applicable date of Invitation, save that the Remuneration Committee may at any time thereafter during the relevant Performance Period, add any other company or entity to such group which satisfies the above criteria (as at the date of such addition) and may remove any company or entity within the group which no longer satisfies such criteria (as at the date of such removal), save that where such removal results in the group comprising less than 6 companies and entities, the Remuneration Committee shall, to the extent such company or entity exists, add another company or entity to such group which satisfies the above criteria (as at the date of such addition) in order to maintain, so far as possible, that the group comprises a minimum of 6 companies or entities.

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

Contractor means a contractor engaged by a Group Company, who is determined by the Remuneration Committee in its discretion to be eligible to receive grants of Performance Rights under the LTIP.

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

Deferred Amounts means the cash equivalent in Australian dollars of the vested value of the Maximum Good Leaver Proportion of each tranche of the Lapsed Performance Rights, determined in accordance with the following formula:

Deferred Amount: = A x B

where

A = the number of Shares which Mr Saker would have received if he had continued to hold the Maximum Good Leaver Proportion of each tranche of Lapsed Performance Rights and such Performance Rights vested in accordance with their terms and been immediately exercised.

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B = 5 day volume weighted average share price of the Company's Shares calculated as at the date the vesting of the applicable tranche of Performance Rights referred to in A.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Participant has the meaning given to that term in Schedule 2.

Employee means any person who is a full-time or part-time employee of a Group Company.

End Date means the last day of the Performance Period.

End Date Share Price means the Company VWAP with an applicable date of the last day of a Performance Period;

Executive Manager means an Eligible Participant who is a Director or Officer or in a regional management role, or is in such other role as determined by the Remuneration Committee, in its discretion, who is determined to be an 'Executive Manager' for the purpose of the LTIP.

Executive Services Agreement has the meaning given to that term in Section 9.1.

Expiry Date means the day ending at 5.00pm (AEST) on the date 15 years after 1 July of the Financial Year in which the applicable Invitation is made to a Participant or such other earlier date as is determined by the Remuneration Committee and specified in an Invitation.

Explanatory Memorandum means the explanatory memorandum which forms part of this Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Financial Year means a period from 1 July in any year to 30 June in the following year.

Funds Deployed means:

- (a) the intangible asset balance of the Group representing investments in Australian dollars as detailed in the Company's annual consolidated financial statements; and
- (b) the value, in Australian dollars, of any investment assets of funds, investment vehicle or other third parties which are under the management of the Group and are not included in the Company's annual consolidated financial statements.

Funds Deployed CAGR means the compound annual growth rate on the Funds Deployed during the applicable Performance Period.

FY16 Rights has the meaning given to that term in Section 7.1.

FY17 Rights has the meaning given to that term in Section 7.1.

FY18 Rights has the meaning given to that term in Section 7.1.

Gross Dividends means the aggregate amount of dividends per Share declared and paid during the Performance Period.

Group means the Company and each Group Company.

Group Company means any one of the Company or a related body corporate (as defined in the Corporations Act) of the Company.

Invitation means an invitation made in accordance with the LTIP to an Eligible Participant to apply for Performance Rights under the LTIP.

Key Management Personnel means 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).

Lapsed Performance Rights means such Performance Rights awarded to Mr Saker or one of his nominees under the LTIP which lapse on cessation of employment.

Listing Rules means the listing rules of the ASX.

LTIP means the long term incentive plan of the Company.

LTIP Amendment has the meaning given to that term in Section 7.1.

LTIP Rules means the rules of the LTIP, including the terms and conditions of a Performance Right as detailed in Schedule 3 to the rules of the LTIP.

Maximum Good Leaver Proportion means, in respect of a tranche of unvested Performance Rights held by a Participant, the proportion calculated by dividing the number of days in the applicable Performance Period which will have elapsed on the date the applicable Participant ceases to be an Eligible Participant by the total number of days in the applicable Performance Period.

Meeting has the meaning given in the introductory paragraph on page 2 of this Notice.

Notice means this notice of Annual General Meeting and includes the Explanatory Memorandum.

Officer has the same meaning, as the context requires, given in paragraphs (a) and (b) of the definition of "officer" of a corporation, or in paragraphs (a) and (b) of the definition of "officer" of an entity that is neither an individual nor a corporation, in each case in section 9 of the Corporations Act.

Outside Entity means a body corporate or other entity of which an Officer has been appointed as an officer either at the request of the Company or a Relevant Company or in connection with the Officer's role as an officer of the Company or a Relevant Company.

Participant means:

- (a) an Eligible Participant who has submitted an Application on his/her own behalf;
- (b) a nominee in whose favour an Eligible Participant has renounced his or her right to any Performance Rights;
- (c) a person who (i) holds vested Performance Rights, or (ii) holds unvested Performance Rights solely following an exercise of discretion by the Remuneration Committee in accordance with the LTIP; or
- (d) any person who is otherwise so designated by the Remuneration Committee.

Performance Period in respect of a Performance Right means the period commencing on 1 July of the Financial Year in which the applicable Invitation is made to a Participant and ending 36 months later.

Performance Right means a right granted pursuant to, and subject to, the LTIP.

Proxy Form means the proxy form attached to this Notice.

Potential Retirement Benefits has the meaning given to that term in Section 9.1.

Relevant Company means any Subsidiary of the Company.

Remuneration Committee means the remuneration committee of the Board as constituted from time to time.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report in respect of the Financial Year ending on 30 June 2018.

Resolution means a resolution referred to in this Notice.

Retention Period means the period commencing on the later of:

- (a) the date being 7 years before the date of the applicable Deed of Indemnity, Insurance and Access; or
- (b) the date of the incorporation of the Company, a Relevant Company or an Outside Entity, and expiring on the date 7 years after the applicable Officer ceases to be an Officer.

Shareholder means a shareholder of the Company.

Shares means an ordinary fully paid share in the Company.

Start Date means the first day of a Performance Period;

Start Date Share Price means the Company VWAP with an applicable date of the first day of a Performance Period.

Strike has the meaning given in Section 4.4 of the Explanatory Memorandum.

STIP means the short term incentive plan of the Company.

Total Fixed Remuneration means in respect of an Eligible Participant, the fixed base gross annual salary plus, if applicable, annual superannuation entitlement but for the avoidance of doubt excluding any other monetary entitlements including to any incentive awards under the STIP, LTIP or any other plans operated by a Group Company from time to time, save that if:

- (a) the applicable Eligible Participant was not an Eligible Participant on the first day of the Financial Year; or
- (b) the base salary payable to the applicable Eligible Participant has been varied during the applicable Financial Year,

such amount shall be adjusted proportionately and determined by the Remuneration Committee.

VWAP has the meaning given to the phrase 'volume weighted average market price' in the listing rules of ASX.

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Schedule 2 - Summary of the Rules of the IMF Bentham Limited LTIP

The key terms of the LTIP and the Performance Rights are as follows:

1. **Eligible Participant:** A person who is:
- (a) an Employee or Contractor who:
 - (i) performs an investment role at the level of an associate investment manager or above (as determined by the Remuneration Committee); or
 - (ii) performs a non-investment role which is determined by the Remuneration Committee to have equivalent seniority to the role specified in paragraph (i) above; or
 - (b) a director or company secretary of a Group Company; or
 - (c) otherwise so designated by the Remuneration Committee.
2. **Invitation:** The Remuneration Committee may, from time to time, in its absolute discretion, invite any Eligible Participant to apply for up to a specified number of Performance Rights in two equal tranches (or such other proportion or number of tranches determined by the Remuneration Committee), upon the terms set out in the LTIP (**Invitation**).
3. **Issue Price:** Performance Rights granted under the LTIP will be issued for no consideration and shall have no exercise price.
4. **Dealings in Performance Rights:** An Eligible Participant may renounce the Invitation in respect of some or all of the Performance Rights in favour of one or more of:
- (a) an immediate family member who is resident in Australia or in such other jurisdiction as the Remuneration Committee may approve in its absolute discretion;
 - (b) a company incorporated in Australia or in such other jurisdiction as the Remuneration Committee may approve in its absolute discretion whose members comprise solely the Eligible Participant and/or his/her immediate family members; or
 - (c) a company incorporated in Australia or in such other jurisdiction as the Remuneration Committee may approve in its absolute discretion which is the corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993 (Cth)*) of which the Eligible Participant is a director,
- in each case, subject to such person being a person to whom the Company is permitted to issue Performance Rights without publishing a disclosure document (**Nominee**).
- An Eligible Participant resident outside of Australia may not renounce the Invitation in favour of any other person without the prior written approval of the Remuneration Committee.
5. **Grant of Performance Rights:** Within 28 days after the end of the period for submitting an application, as specified in the Invitation, and except where such Invitation is deemed never to have been made in accordance with the terms of the LTIP, the Remuneration Committee will, in respect of each Eligible Participant, or (where applicable) his or her Nominee (**Participant**), issue the Performance Rights which are the subject of the relevant application to such person.

The Company will issue the Participant with a certificate evidencing the issue of the Performance Rights and enter or cause to be entered in the register the relevant details of such issue.

6. **Determination of Performance Conditions:** A Performance Right shall be subject to the following performance conditions:

- (a) subject to the LTIP, a Participant or, where a Participant is a Nominee the Eligible Participant by virtue of whom a Nominee holds Performance Rights, must remain an Eligible Participant for the full Performance Period (other than any approved leave of absence) and not have given or (to the extent applicable) received notice on or prior to the End Date to terminate such status;
- (b) in respect of Tranche 1 Performance Rights, the Company's TSR shall be:
 - (i) greater than zero; and
 - (ii) when ranked against the total shareholder returns achieved by each member of the Comparator Group equal to greater than the returns of 50% of companies in the Comparator Group; and
- (c) in respect of Tranche 2 Performance Rights, the Company achieves a Funds Deployed CAGR of 5% or more,

(Performance Conditions).

7. **Satisfaction of Performance Conditions:** At the end of each Performance Period for a Participant, the Remuneration Committee will:

- (a) determine in its sole discretion whether and, if so, the extent to which, the Performance Conditions applicable to that Performance Period have been satisfied;
- (b) if the Performance Conditions have been satisfied, determine whether a Performance Right has vested or lapsed by application of the Tranche 1 Vesting Matrix or the Tranche 2 Vesting Matrix, as applicable, as detailed below:
 - (i) Tranche 1 Vesting Matrix

Company Percentile Ranking	Percentage of Tranche 1 Performance Rights Vesting
Equal to the 50th percentile	50%
Between the 50th and 75th percentile	Between 50% and 100%, determined on a straight-line basis
Equal to the 75th percentile or above	100%

(ii) Tranche 2 Vesting Matrix

Funds Deployed CAGR Hurdle	Percentage of Tranche 2 Performance Rights Vesting
5%	50%

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Funds Deployed CAGR Hurdle	Percentage of Tranche 2 Performance Rights Vesting
Between 5% and 7%	Between 50% and 100%, determined on a straight-line basis
7% and above	100%

- (c) advise the Participant in writing:
 - (i) of the applicable number of vested Performance Rights now held by that Participant; or
 - (ii) of the applicable number of Performance Rights that have lapsed; and
- (d) amend the register to reflect the vesting or lapse of the Performance Rights.

8. **Exercise on Vesting:** A vested Performance Right may be exercised by a Participant resident in Australia at any time from the date of receipt of a vesting notice until such time as the vested Performance Rights lapse in accordance with the LTIP. A vested Performance Right held by a Participant not resident in Australia will automatically be exercised in favour of the Participant.

9. **Ceasing to be Eligible Participant:** Subject to paragraph 11, if a Participant, or where the Participant is a Nominee, the Eligible Participant by virtue of whom such Nominee holds Performance Rights, ceases to be an Eligible Participant due to:

- (a) his or her death or total and permanent disability;
- (b) his or her bona fide redundancy;
- (c) his or her bona fide retirement;
- (d) his or her termination of employment, office or contract, in each case, by agreement with the Relevant Group Company;
- (e) any reason specified in paragraph 10(c) of this Schedule 2, where the Remuneration Committee has determined to exercise its discretion to not apply such provision; or
- (f) for any reason other than a reason specified in paragraph 10(c) of this Schedule 2,

(**Good Leaver**) the Remuneration Committee may at any time exercise its discretion to do one or more of the following:

- (g) permit unvested Performance Rights held by the Good Leaver or his or her Nominee(s) to vest; or
- (h) permit such unvested Performance Rights held by the Good Leaver or his or her Nominee(s) to continue to be held by the applicable holder save that Performance Condition "A" (as described in paragraph 6(a) of this Schedule 2) shall be deemed to be satisfied in circumstances where any of the other Performance Conditions become satisfied in whole or in part;

in each case up to a Maximum Good Leaver Proportion of such Participant's unvested Performance Rights. In the event of death of the Good Leaver, his or her personal

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representatives or successor in title shall be entitled to benefit from any exercise of the above discretionary powers by the Remuneration Committee.

Absent any exercise of the above discretionary powers by the Remuneration Committee, all unvested Performance Rights held by a Good Leaver or his or her Nominee, shall lapse automatically upon the Good Leaver ceasing to be an Eligible Participant or in the event of the death of the Good Leaver, 15 Business Days after such death.

10. **Lapsing of Performance Rights:** A Performance Right lapses:
- (a) in the case of a vested Performance Right, on the Expiry Date; and
 - (b) in the case of an unvested Performance Right, on the earlier of:
 - (i) the date of the issue of a notice of lapse by the Company; or
 - (ii) otherwise in accordance with the LTIP;
 - (c) where, in the opinion of the Remuneration Committee, a Participant, of where the Participant is a Nominee, the Eligible Participant by virtue of whom such Nominee holds Performance Rights ceases to be an Eligible Participant due to the following:
 - (i) acts or has acted fraudulently or dishonestly;
 - (ii) is guilty of gross misconduct;
 - (iii) provides notice of his or her resignation (other than with the agreement of the relevant Group Company) or is given notice of termination of employment by the relevant Group Company; or
 - (iv) is in breach or has breached any of his or her obligations to the Company,

(Bad Leaver) unless the Remuneration Committee resolves otherwise, any unvested Performance Rights held by the Bad Leaver or his or her Nominee(s) will automatically lapse with effect from the date the Bad Leaver ceased being an Eligible Participant.
 - (d) in accordance with paragraph 9 of this Schedule 2; or
 - (e) a Participant granting a security interest, disposing of or dealing with the Performance Right or any interest in the Performance Right in circumstances where the Remuneration Committee does not apply its discretion to determine otherwise.
11. **Approved leave of absence:** Unless otherwise resolved by the Remuneration Committee, an Eligible Participant, granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of a Performance Right under the LTIP will be treated as not having ceased to be an Eligible Participant. However, in circumstances where during the approved leave of absence, the Eligible Participant was granted a period of ex gratia unpaid leave outside of any legal or statutory entitlements, the Remuneration Committee, in its absolute discretion, may:
- (a) reduce the number of Performance Rights offered to such Eligible Participant in the applicable Financial Year on a pro rata basis; or

- (b) to the extent Performance Rights have been issued to such Participant within the Financial Year prior the period of unpaid leave being taken, cause by notice to such Eligible Participant, a pro rata number of such issued Performance Rights to lapse, to account for the period of unpaid leave during the relevant Financial Year.
12. **Issue of shares:** Subject to the Corporations Act, the Listing Rules and the LTIP, the Company must issue to, or procure the transfer to, the Participant (or to the trustee of the Employee Share Trust to be held on behalf of the Participant) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised. For an Eligible Participant resident in Australia this is one Share in respect of each Performance Right, for an Eligible Participant otherwise resident, the number of Shares, or part thereof, to be issued upon exercise of a Performance Right may be adjusted to take account of any movement in the applicable foreign exchange rates between the time of the applicable Invitation and exercise.
13. **Share ranking:** All Shares issued under the LTIP will rank equally with all other issued Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.
14. **Listing of Shares on ASX:** The Company will use its best endeavours to obtain official quotation of all Shares issued under the LTIP on ASX.
15. **Change of Control:** All unvested Performance Rights automatically vest where one of the following events has occurred or, in the opinion of the Board, will occur:
- (a) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a Takeover Bid:
- (i) is announced;
- (ii) has become unconditional; and
- (iii) the person making the Takeover Bid has a Relevant Interest in 50% or more of the Shares; or
- (c) any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means.
16. **Adjustment for bonus issues:** If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue, the number of Performance Rights to which each Participant is entitled shall be increased by that number of securities which the Participant would have been issued if the Performance Rights then held by the Participant were excised immediately prior to the record date of the bonus issue.
17. **Pro rata issues:** If during the term of any Performance Right, the Company makes a pro rata issue of securities to the Company's shareholders by way of a rights issue, a Participant shall not be entitled to participate in the rights issue in respect of any Performance Rights. A Participant will not be entitled to any adjustment to the number of Shares issued under the LTIP that he or she is entitled to or adjustment to any Performance Condition which is based,

in whole or part, on the Company's share price, as a result of the Company undertaking a rights issue.

18. **Adjustment for reconstruction:** In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled shall be reconstructed (as appropriate) in accordance with the Listing Rules and in a manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.
19. **Hedging Transactions:** Participants are prohibited from entering into any transactions (whether through the use of derivatives or otherwise) which seek to mitigate any economic risk or exposure in relation to any Performance Rights, including, without limitation, entering into a put option (or similar transaction) in respect of Shares which may become issued pursuant to Performance Rights to mitigate the risk of a change in the price of the Shares between the date of the put option and the date the Shares may become issued.
20. **Amendments:** Subject to the LTIP and the Listing Rules, the Board may from time to time amend or supplement the LTIP rules in any respect. However, in respect of an issued Performance Right no amendment made to the terms and conditions of the LTIP or the Performance Rights shall bind a Participant in respect of such Performance Rights unless such amendment:
- (a) is consented to in writing by a Participant; or
 - (b) is introduced for complying with, or conforming to, the Listing Rules, or State or Commonwealth legislation governing or regulating the maintenance or operation of the LTIP or similar plans.